Van Riper, Lewis C.

The ins and outs of
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INS AND OUTS OF WALL STREET

BY
LEWIS C. VAN RIPER
11 BROADWAY
NEW YORK

PRICE
25c

INTRODUCTORY.

IN the Summer of 1888 I made my debut in Wall Street, and I venture to say that my experience did not vary much from that of the average novice who embarks upon the tempestuous waters of this unknown sea. It did not take me long to part from the little money that I had accumulated through years of industry previous to that time. It was simply the old case of "the spider and the fly," and I was soon entangled in the silken threads that are daily woven by wily Wall Street operators for the unwary. The lesson was an expensive one and I dare say that nine-tenths of the readers of this volume have gone through a similar ordeal. I, however, resolved that the place to find my money was where I had lost it, and have endeavored to improve my opportunities since that time in studying the movements of certain manipulators and the reasons why so many fail, and have arrived at certain conclusions which I shall endeavor to relate in such a way that the reader of this pamphlet I hope will be enabled to benefit thereby. We must all pay for our education sooner or later, and the more expensive this education is to us at the start, the larger should be the benefits which we derive from it in the future.

Speculative prices have their rise and fall independent of intrinsic values, and it is not within the power of any one man or set of men to control these movements for indefinite periods. The operations of cliques sometimes affect the markets temporarily but not permanently. The law of action and reaction in market values is equal, and just as reliable as the swinging of a pendulum. When they go too far in one direction, they

are sure to react a like distance in the other direction, and although these movements sometimes cover long periods of time, by careful study we can arrive at certain fixed principles by which we may judge accurately regarding their future course. *Temporary fluctuations are, however, not to be considered. They are merely the ripples on the surface,* and should not be taken into consideration at all. The speculator who makes money is he who makes an investment in the same manner that he would buy or sell real estate, and not, as a rule, those who endeavor to scalp out fractional profits. During the ten years above referred to I have endeavored to made a special study of the operations of traders and by carefully observing market movements, together with each cause and effect, believe that I have been able to arrive at certain facts explaining why so many fail, and also how it is possible to be successful. My various experiences however, except in a few instances, would be of very little interest here. Suffice it to say that I have observed certain principles regarding market phenomena, which, if carefully noted, will be of great assistance to speculators, and while I desire to make this work as brief as possible I shall endeavor to lay down certain facts herein which will be self-evident to the reader.

A few more words and I will enter into my subject. During the past few years I have been looked upon by my friends as a good judge of market movements and have also enjoyed some little reputation as a writer on financial subjects. This secured for me, on the first of March, 1898, a position with a leading brokerage firm in the capacity of general correspondent, part of my duties being to write the firm's market letters. These articles were published on the financial page of the New York Evening Sun from day to day as they were written, under the heading of LAWRENCE & SIMONDS' MARKET LETTERS, and the correctness of the forecasts therein soon became the talk of the Street. In order to prove my assertions I have reproduced a large number of these letters in this volume. Many readers, however, no doubt saw and read them at the time they were published. In some instances I have only quoted herein extracts, and owing to lack of space have been obliged to omit many, but have a complete file at my office which can be seen at any time. Of course I know that these letters will be of very little interest to anyone now, except as evidence regarding the fact that by closely noting each market movement it is possible to judge accurately at all times as to its future course; and those who doubt that there are certain scientific principles regarding these movements I respectfully ask to look these predictions over carefully and see how well they were fulfilled in every instance. While I much dislike to refer to my own achievements, the fact that I am about to offer my theories in pamphlet form to parties interested in speculative ventures I hope will, in a measure, serve as an excuse for so doing. *By following this method I am able to prove to you, better than I could in any other way, that all claims made herein are founded upon facts.*

The predictions made in these letters were based entirely upon the theories hereinafter explained, and in no instance were they advanced from information derived from any other source, except perhaps, the liberal use of a little common sense, and as the reader undoubtedly is the possessor of a liberal supply of the latter commodity I see no reason why you should not be able to apply the same to this particular subject and profit thereby in the same manner that I have done; and shall endeavor in this brief work to explain fully and concisely just how you may obtain similar results yourself. I shall, in many instances, lay myself open to the charge of repetition, and intentionally so, as there are certain facts which I desire my readers to remember, and for this reason have brought them out as often as possible the better to impress them upon your mind.

I am not a broker, but merely a professional speculator, and in order to vividly bring out certain facts it will be necessary for me at times to relate my own

personal experiences, which I trust will not always be found tiresome.

Hoping that this brief work will be received in the same spirit in which it is given to the speculative public, and that it will prove of some little value to the much abused and heart-weary "lamb," to whom it is especially dedicated, I remain,

Very truly yours,

LEWIS C VAN RIPER.

PREFACE.

Since publishing the first edition of this book I have probably had more real practical experience—although the time covered was barely three months—than was the case during the previous ten years before referred to, and it is only natural that by careful observation I would have reason to see where many mistakes I have made could be avoided in the future, and as the first edition, although a brief one, met with such general favor with the investing public, I have decided to revise the same and add thereto some further facts and theories which I believe are worthy of careful consideration. In less than a month after the first edition left the printer's hands, I had the management of a large number of separate accounts, with as many different brokers, for investors who realized that my experience entitled me to a certain amount of success which would be difficult for them to attain without practical experience. While my success in handling these accounts has not been phenomenal I can point with pride to the fact that nearly every one has gradually grown in size despite the fact that at times I made losses, and on a few occasions quite serious ones, but **my profits have averaged twice the amount of my losses,** and this in addition to paying commissions and other expenses to brokers. I consider this an excellent showing on the whole, and have only in a few instances lost the original investment where the accounts were left entirely to my management and the first deposit exceeded $100. Would have lost none of these accounts had they not come in an unfortunate time when I made a few small losses at the beginning of the accounts and owing to the margins being so small was unable to turn and save a working balance, whereas had the amounts been larger, as was the case with those which came under my management earlier, a total loss would not have resulted. In other words, every $100 account which I had received prior to the period mentioned, had been built up with profits of from three to five times the original amount, and although I made the same losses for them I was able to reverse my operations and in a few days made back the losses, while with the smaller ones it was impossible to do so. I only mention these facts for the purpose of more clearly impressing upon the reader's mind the necessity of operating conservatively in proportion to margins, and I have come to the conclusion that in order to operate with safety **one must have at least a twenty point margin to start with,** and as ten shares is the smallest quantity that can be bought or sold on margin on any of the Exchanges, it is therefore necessary

to start with an original investment of at least $200 in order to avoid serious risk. I do not mean by this that it would ever become necessary to allow a trade to go twenty points against one or even ten points, but in case we happen to get wrong at the start, a 2 or 3 point loss would not seriously impair our capital; and one of the most important, and at the same time hardest lessons to learn, is to **stop losses quickly when wrong**. In other words, one must go with the tide; not against it It may appear to you that by following this advice your profits would also be very small, and this is, I believe, one of the most potent causes why so many fail in speculation. You would buy a corner lot and consider that you had made a very wise transaction if you could sell it for twice the purchase price at the end of a year; but you would not be content to speculate with the same amount of money for the same returns. In the first instance opportunities are very scarce where such an investment can be made in real estate, and it is probably a chance of a lifetime that you are able to make such a profitable transaction, while in the second instance, **if you would only learn to be satisfied with a like profit** it can be made year in and year out with scarcely a particle of risk, and even larger results than this can be obtained, and still the risk be reduced to a minimum. On another page in this book I have shown the results that can be obtained by doubling your money each year in this manner and the result is astonishing, but for the sake of those who wish to make money still faster suppose that by careful operations we are able to double our capital once every two months. Say we begin with $1 000. **At the end of one year this $1,000 would amount to $64,000. This, surely, is fast enough for any one.** This, surely, is accumulating money fast enough to gratify even the most avaricious; but two months is a long time taken from day to day, especially if you are watching the ticker every day, and it appears to be human nature to want to make money even faster than this, and if you are spending your time around your broker's office, the probability is that you will soon feel that you are missing a great many good opportunities and will commence to trade heavier than your capital admits, with the natural result of meeting with serious reverses. Then you will go away from Wall Street cursing the Stock Exchange, the broker and every one connected with these institutions.

PERCENTAGE OF FAILURES,

It is the history of every brokerage concern that their books at the end of each year show that a large percentage of their customers lose every dollar they invest. **This is one of the causes why bucket shops thrive**, and the fact that the public is usually wrong holds out special inducements to them to carry their trades on their sheets instead of on the market.

WHAT TO READ.

I have read a great many books on Wall Street, but in most instances they were written by "Lame Ducks," and not by successful speculators. **I am a successful speculator and can furnish plenty of proof regarding this fact,** and I cannot help but feel that my experiences will be of value to the reader.

Speculation is a profession just the same as practising medicine. If you study to be a lawyer you read only books written by those learned in the profession. You could never become proficient without your Blackstone. If you are going to be a doctor you must study the works of prominent and successful practitioners. But if you are going to be a speculator, 99 times out of 100 you will read the Sunday newspapers and all of the flashing advertisements, with big headings, such as: **"Big Boom Coming;" "Buy Now;" "Delay is Fatal;" "We Told You So;" "A 20-Point Move is Imminent;" "Get Our Inside Information and Make Money;" "Last Week we Wired Our Customers So and So;" "Our this Week's Letter is Very Bullish on the Grangers;" "Our Customers are Elated over our Success;" "Every Move in Sugar was Known to Our Subscribers;" "Determining the Financial Standing of Your Broker is Fully as Important as Selecting the Right Stock;" "Names of Brokers Given with Each Transaction."** And after reading this you will probably then study the financial review of the daily papers, which is really the opinion of only one man who may possibly know no more about actual conditions or the real tendency of the stock market than a ten year old school boy, and probably never had any practical experience; yet because you see it in print you believe what they say. Occasionally some of the daily papers have special articles written on financial conditions which read very nicely and the theories advanced are often plausible. In connection with this my memory calls me back to the latter part of April, 1898, when war with Spain became a certainty. My attention was called to an article in the New York Daily———, written by its special financial correspondent, whose articles had attracted my attention from the fact that for a short time previous they had been quite sensible and accurate. The article referred to treated of the financial conditions at length, occupying two whole columns and went on to explain in a very positive and plausible way how the coming war with Spain would cause a tight money market in

this country and result in extreme declines in all stocks from prices ruling at that time. I would have paid little attention to the article had it been written by anyone else, but considering the source from whence it came I thought it worthy of notice and took care to observe the outcome of these predictions, which are known now to all. **The market not only did not go lower, but prices ruling then proved to be the extreme bottom for every stock on the list,** and one of the biggest bull markets started from that date that has been experienced in recent years, stocks advancing from five to fifty points all along the list. This is merely one instance that I have noticed. **A man may be a literary genius and be able to write attractive letters on financial subjects and to so arrange his phraseology that the articles will carry a certain amount of weight with them and yet have no practical experience**, without which I consider his opinion worse than nothing; in other words misleading. What, say you, are we to read? There are no standard works on speculation written by experienced, successful speculators. This is just the trouble. I do not know how to account for it unless it be a fact that successful operators are too busy with their own affairs to devote any time to literature, and as a successful operator does not need to do so from a financial standpoint, it will probably be a long time before there are any extensive works written by competent authorities on this subject available, and as I make no special claim to literary talent what I shall endeavor to set forth will be in plain, unvarnished language and the result of my own experience, hoping that the same will prove of value to the reader.

SELECTING A BROKER.

Before beginning operations you should take special care to investigate the standing of your broker or firm of brokers with whom you contemplate opening an account. You need have no hesitancy about asking them for reference and then look them up carefully. There is no use of your trying to operate unless you have sufficient confidence in your broker, and should you suspect him of double dealing or dishonesty, close out and quit at once, because you will have anxiety enough regarding your operations without having to guess whether you will get your money or not after you win. When first entering Wall Street you will probably be suspicious of the brokers and in fact everyone there, but I will base my reputation on the fact that the majority of brokers can be trusted a long way, and in fact **there is no class of business men where strict integrity and honest dealing are more closely observed than in Wall Street.** A nod of the head or motion of the hand between brokers is just as binding as a bond and mortage, and sometimes means thousands

in the course of a few minutes transactions, but there is no resort to courts and it is only exceptional cases where even the Board of Arbitration is called upon to settle disputes. I once heard a friend remark: "I think I could trust the average broker a long way further than the average clergyman," but added "though perhaps this is not as great praise as I intended it should be." As I have stated before **there are certain brokers who will bear watching**, but there need be no reason for your getting tangled up with any such concerns as it is easy enough to ascertain regarding any firm's standing if you will only go to a little trouble, and **it will be much more satisfactory to have the trouble before rather than afterward.** Then after you have ascertained regarding the broker's financial standing, investigate his standing on the Exchange of which he claims to be a member. In no case place any business with anyone who claims to be a broker who is not a member, in good standing, of some reputable Exchange. These outside fellows are the very ones who have done more to injure the legitimate speculative business than all other causes combined. I have generally noticed, however, that such people do not last long. It is usually a matter of only a few months with them when they are compelled to operate under another name or to seek "greener pastures and fairer fields." **Men do not last long in Wall Street by purposely deceiving their fellows.**

Looking into the Future.

Panics and good times come to us in **periodical tidal waves.** A careful study of the financial and business conditions of the past is our best guide as to what is going to occur in the future, and a careful observer will note that since the year 1818 business has been good and stocks and commodities high about every ten years, and that this has then been followed by a reactionary panic, prices tending downward for a period of about five years and gradually working up to the old level; then about once in twenty years we have experienced sensational business booms which were inevitably followed by a severe liquidation panic, such as occurred in 1873 and 1893, while **"Scares"** occur quite frequently during each year.

Reactionary panics do not carry as disastrous after results as liquidation panics, but in either case there must be a strong upward action before a severe reaction can take place. After the panic of 1893 the after results were the same as those following the 1873 panic. In 1877 business began to improve, and the year following there was a general advance in stocks and speculative commodities, which laid the foundation for the **great boom of 1879.**

What has happened in the past we may reasonably expect to occur again. The boom of 1899 has already commenced, and bids fair to surpass any that have taken place in the past. The higher prices go, the greater the inflation of values, the more disastrous and far reaching will be the fall Booms are not felt spontaneously all over the country at once, but come gradually and are first noted in special localities. Wall Street may be said to be the financial pulse of America, and is the first to scent a coming storm. It is the barometer of the nation, but in order to read this barometer accurately we must study carefully its code of signals and learn the meaning of each market movement.

The influences which have an important bearing upon future values and the laws of action and reaction are a study in themselves, requiring years of experience and observation, and the more a person studies them the deeper the subject becomes and with ordinary judgment one ought to be able to foretell market movements with some degree of accuracy.

After a careful study of market phenomena and the various influences which are being continually brought to bear in order to influence prices, extending through a period of over ten years, I have learned that it is possible to foretell days in advance to a sur-

prising degree of accuracy the movement of certain stocks in a general way, not fractional fluctuations, but prominent movements.

That such is the case I do not ask you to believe until I have furnished you with positive proof that my assertions are founded upon something more than fancy.

I will even go further and propose to show you just how this is done and how it would be possible for you to do the same.

There are no set rules which we may follow, and in spite of the many cranks who discover now and then systems to beat the stock market, it remains a fact that a perfect one is as rare as a perpetual motion machine. There are, however, certain actions of the stock market which serve as an infallible guide when taken together with other information which we can secure if in touch with leading operators. All of these signs must, however, be taken in conjunction and not separately. Every condition that would have a bearing on the market must be carefully considered, and then by following fluctuations carefully and noting the volumes of transactions each day a careful student of finance can judge accurately as to the market's future course. Many false moves will be made to deceive you, but after you once are on the inside these are easily detected.

MONETARY TIDAL WAVES.

Speculative values have their ebb and flow just as surely as the tides of the ocean, and by a careful study of these movements, it is possible to become a successful operator in stocks and other speculative commodities.

In order to do so intelligently you must study and become familiar with the volumes of stock traded in, and the first and second market wave movements of the various stocks in addition to general conditions affecting values. The reason why so many people fail in speculative operations is because they come to Wall Street expecting to get rich quickly, and will then buy or sell stocks right and left just because some one has advised them to do so or because they have been a little lucky and will guess that it is right to do so This is gambling pure and simple.

Successful speculation is based upon intelligent forecasts, the fulfillment of which must be patiently awaited. Let the operator apply to his transactions the true principles of speculation, just as he would do in any other business, and then Wall Street offers to the man with nerve, patience and moderate capital, opportunities which cannot be equalled in any other business or profession.

Intrinsic values never control a rising or a falling speculative tide. Study the ebb and flow of this tide and you will

learn to solve the problem of successful operations in the stock market with a degree of certainty that you will find surprisingly accurate.

Tidal movements in the stock market are indicated by the volumes of transactions and extreme prices reached on either a rising or a falling market, and in either case are always sure to go just as much too far in one direction as they were previously in the other direction. When the heart stops beating we are dead. When values stop fluctuating the world will be dead. Disturbing elements are necessary to its vitality. **No matter how quiet the market may be something unexpected is sure to happen**, and will serve to start the market into activity. The first extreme point reached in either its upward or downward course, accompanied by an unusually large volume of trade, is a measure of its successors with surprising accuracy; so that a careful student of finance is able to judge when the high or low point is reached and on the second movement (which always occurs) to that extreme point, there will be plenty of opportunities to act.

As a sample of the above movement, look at quotations of the stock market for Tuesday, December 17, 1895, when President Cleveland issued his Venezuelan letter:

On that day St. Paul sold at	76.
Rock Island,	75⅝;
B. Q.,	84¾;
L. & N.,	53½;
Sugar,	103½;

and total volumes were 280,000 shares, only a small increase over the average transactions.

December 18th	volumes were	345,000 shares;
" 19th	" "	400,000 "
" 20th	" "	775,000 "
St. Paul,	62¾;	
Rock Island,	63;	
B. Q.,	74;	
L. & N.,	39;	
Sugar,	92;	

Now, this large volume of trade on a downward market was a sure indication that the extreme point in the decline was reached, but it was policy, under my plan, to wait before buying, for an upward reaction which was sure to be followed by second downward movement within a few days.

The upward reaction occurred December 20th.

St. Paul advanced to	64⅜;
Rock Island, "	64;
B. Q., "	74¾;
L. & N., "	41¼;
Sugar, "	95¾;

which was followed by the second downward movement on Saturday, December 21st:

St. Paul,	60½;
Rock Island,	59;
B. Q.,	70;
L. & N.,	40;
Sugar,	92;

These prices were made soon after the opening on the 22nd, after the largest volume day of the 20th, and **this was the place for buyers to purchase stocks which inside of five days would have made profits of from eight to fifteen points.**

The same thing occurred on McKinley's nomination, June 17, 1896, causing strong public buying in large volumes; also a second movement upward to the top prices, when sales should have been made.

On August 7, 1896, the Bryan scare brought about an extreme bear movement, followed by a reaction and second downward movement on August 10th, when purchases should have been made.

November 4, 1896, the day following McKinley's election, there was another large volume day with an extreme bull movement, followed by a reaction on the 5th, and by a second upward movement on the 6th, 7th and 9th, when sales should have been made at prices reached on the first upward large volume day.

The above are only a few examples to show what could be accomplished by a careful study of market movements, **regardless of the news gossip and flaring advertisements ever before the public, which in all cases should be avoided.** These wave movements are being repeated several times each year.

But, says someone: It is easy enough to tell what has happened in the past, and to select for examples markets which were most favorable for this theory. I propose to go a great deal further than this, and will prove to you that by careful attention to market phenomena one may be able to call almost every turn of the market. sometimes days in advance.

No matter what the news gossips may say or how dull and inactive the markets may be, something is sure to happen to affect prices and the effect will probably be exactly the opposite to what the public expects.

This year (1898) so far has been full of stirring events all of

which had a powerful effect on speculative values. While most of the Wall Street fraternity thought that a war with Spain would be avoided and would not give up that belief until war was actually declared, as early as March 3, I said that war was inevitable, for proof of which see market letters commencing March 3rd, and reproduced in part herein.

The blowing up of the Maine, on February 15, checked the bull market that was then under way, and on Saturday, March 12th, the stock market opened very panicky, (for prices of leading stocks on that day see market letter of that date) but recovered several points during the next few days. This was the first downward movement accompanied by extreme volumes of transactions and served as a guide for us to follow in buying stocks on the next downward movement which was sure to follow. On this date the low points on leading stocks were as follows: Burlington, 86⅜; St. Paul, 85⅜; Rock Island, 80⅛; General Electric, 29¼; Brooklyn Rapid Transit, 35; Mo. Pacific, 22¾; N. P. Pfd. 57⅝; U. P. Pfd., 47¼; with total volumes of 313,000 shares, and market closed weak at lowest prices.

Now, there was nothing to indicate that this would be the low point at that time; even the volume of transactions, while heavy, were not extremely so, therefore we must wait for further developments which were not slow in coming. On Monday the market made advances ranging from two to five points in spite of all the bearish gossip that was circulated by the news agencies that morning, and volumes were 431,000 shares. This was indicative that another decline to the low points of Saturday would follow within a week or two at farthest.

As proof that I was able to and what is more did foretell the second downward movement, which occurred March 25th and 26th even giving exact prices at which leading stocks would decline to as far back as March 17th, see market letter published in the New York *Evening Sun* of that date, a copy of which can be seen at my office. Here are the low prices touched on March 25th and 26th: Burlington, 85⅞; St. Paul, 85½; Rock Island, 80⅛ Gen. Electric, 30½; Brooklyn Rapid Transit, 35; Mo. Pacific, 22⅝; N. P. Pfd., 57⅛; U. P. Pfd., 46¾. Now, compare these prices with the lowest of March 12th and the result is surprising:

	Mch. 12.	Mch. 26.		Mch. 12.	Mch. 26.
Burlington............	86⅜	85⅞	Brooklyn Rapid T..	35	35
St. Paul...............	85⅜	85½	Mo. Pacific,..........	22¾	22⅝
Rock Island.........	80⅛	80⅛	N. P. Pfd..............	57⅝	57⅛
Gen. Electric........	29¼	30½	U. P. Pfd.............	47¼	46¾

Some of these stocks it will be seen made the exact low figures on both the first and second extreme movements, and others varied only fractionally. Of course in calculating a range of values extending over several days, fractional variations should not be considered and on stocks which fluctuate widely, such as Manhattan and Sugar, allowances of from two or three points must be made at times.

After purchases were made on this second downward movement, indications as to when it was advisable to take profits were fully as plain and a profit ranging from five to ten points was the result.

There was, however, a prominent exception to this rule in Sugar but there was reason for its action independent of the rest of the market, and there was no occasion for anyone to be deceived by it from the very fact that it broke through the low point of March 12th (120½), as far back as March 17th, when the balance of the market was from five to ten points above their low prices of the 12th. According to my rule Sugar should have been sold short the minute it broke below 120 and held until the second downward movement took place, which was predicted by me, and as before stated, published in the New York *Evening Sun* of March 17th. This short Sugar should then have been bought in on March 26th when the second general extreme movement took place, Sugar sold that day at 107½.

It also occurs sometimes that old tops make new bottoms and vice versa. On a bull market each new bottom is generally higher than the previous one, and declines often stop at the last previous top, while on a declining market old bottoms make new tops, this rule is not infallible, but often helps in arriving at conclusions.

Again, on the declaration of war, April 21st, followed the third extreme downward movement, when purchases should have been made for another upward turn which was sure to follow.

On this third downward movement the declines did not reach the low extremes of the second movement, but were checked from one to three points higher, which was evidence that the low point had been seen and purchases of stocks there were as safe as government bonds. Each decline following also stopped a little higher. (See Market Letters during April.) Attention was called to this feature by me in the New York *Evening Sun* of May 10th. This was the time to buy stocks and to keep on buying, and I so advised in the daily articles written by me and published by a brokerage firm in whose employ I was at that time. Owing to limited space in this volume I am only able to reproduce portions of these letters, but as they are of very little interest now, except as proof regarding my ability to forecast

market movements they will suffice. As I have preserved a complete file of New York *Evening Suns* at my office, any one desiring to see the complete arsicles may do so.

HOW TO MAKE A MILLION DOLLARS IN TEN YEARS WITH AN ORIGINAL INVESTMENT OF FIVE HUNDRED DOLLARS.

Capital Invested Per Year.	Points Won Per Year.	Shares Handled Per Year.	Profits Per Year.
$ 500	12	50	$ 600
1,000	12	100	1,200
2,300	12	200	2,400
4,700	12	500	6,000
10,700	12	1,000	12,000
22,700	12	2,250	27,000
49,700	12	5,000	60,000
109,700	12	11,000	132,000
241,700	12	24,000	288,000
529,700	12	52,000	624,000
624,000			
$1,153,000 Captial at the end of ten years.			

It is not necessary to be in the market every day in order to accumulate a fortune in speculation in a few years. For example: If you only take one point per month out of the Grain or Stock Markets and do not spend your profits, in less than ten years you could have a **cool million dollars in cash** and only need start with $500. **Besides this you could always keep a ten point margin on every trade.**

By following the plans outlined herein it seems that most anybody ought to average at least one point net profit each month or even each week. In fact with such markets as we have had for the past three months, it would have been easy enough to take out twelve points each month. One of the greatest advantages of my plan of operating is that you never need take a large loss, because according to Rule 9, should the market go beyond the previous extreme figure you would stop your loss at once and wait for a new guide. In this way **you stop your losses and let your profits run.**

THE TEN COMMANDMENTS.

Here are a few brief rules which it is well to keep in mind in addition to careful observation as to market movements already explained:

1.—Remember a bear market always begins when everything is brightest and the public most bullish, and when volumes of transactions are largest on the advances.

2.—A bull market begins at the end of a bear campaign when everything is darkest and the public are selling stocks.

3.—Again, watch for the large volume days when you may reasonably suppose that the bottom has been reached.

4.—Remember by the time the news gossip reaches you it is very apt to be stale **and is probably sent out for the very purpose of getting the public on the wrong side of the market.**

5.—New extreme movements when they pass old extreme movements nearly always come back to former extreme movements.

6. On a bear movement watch for the day of large bear volumes, note the lowest figures recorded, and when the market starts upward immediately send in your order to buy on the second downward movement to the previous low figures. On an extreme bull movement reverse the operation.

7.—Never trade in more than your capital will allow you to margin at least five points and preferably ten, because then when you have to take a small loss you will not feel it so seriously as would be the case were you to trade on a narrow margin. **Let small loads and big margins be your watchword.**

8.—Drop all sentiment, pay no attention to news gossip, points or tips, but merely become a machine with sufficient power to execute your orders according to market movements as previously explained.

9.—Always stop your trade at a small loss in case it should go beyond former extreme figures on the second movement, and in this way you are always in a position to make large profits with a probability of doing so largely in your favor, while your losses will always be limited to a small amount.

10*.—When market starts in your favor after having made an extreme movement and a second movement in any direction, continue buying or selling as the case may be, using your profit for additional margin, always keeping plenty of margin on your trades, then should there be a long movement in your favor your profit would be something immense in proportion to amount invested.

GOLDEN RULE: WHEN IN DOUBT DO NOTHING.

The market is always here and there will be plenty of opportunities to take advantage of the fluctuations **without guessing** at it. **Wait for something definite.** Don't try to make a profit every day. If you can make one good profit each week without any losses, it is much better than trying to trade on every quotation.

Remember our best guide to future market movements is the **record of what has happened in the past.** When you see the results of past operations, it serves as a guide and gives one more confidence in operating for the future.

*Accounts hereafter shown were handled under rule 10, **note results.** By consent of the principals I am at liberty to furnish the names of owners of these accounts to private parties on special request.

NO SYSTEM.

Although I have had a great deal to say about chart movements and in fact keep such a record of all active stocks from day to day for my own use, I wish it distinctly understood that there are no infallible rules which can be laid down, upon which to base operations, my theory being simply that what has happened in the past is our best guide to the future, and by keeping a record of all fluctuations it is only necessary to examine each day's chart movements carefully in order to form an opinion as to what the next movement will be, and I do not know of any plainer way to keep a record of stock movements than this. In other words, by looking at my charts on any one stock I can immediately see just what movement it has had in the past and when conditions are the same as they were at those periods I can reasonably figure that the same kind of a movement is probable, and by watching for second extreme tops and bottoms we are more likely to overcome prejudice and street enthusiasm, which is most always misleading, and by having a complete record on paper before us all the time we are enabled to form clear and concise judgment; whereas, without such a guide one is apt to make the fatal mistake of buying at the top and selling at the bottom. You must know, if you have ever paid much attention to the markets, that **they always look the strongest at the time they are near the top and the weakest when they are near the bottom,** and the average trader is generally misled into doing the very thing he ought not to do. A complete chart conveys to the mind at a glance a general outline of what each stock has done in the past under similar conditions, just the same as pictures serve to illustrate facts which it would be difficult to otherwise describe. There are no infallible guides, however, but by watching chart movements and paying strict attention to the operations of traders as evidenced by the volumes of transactions, one is able to form opinions quickly and take advantage of movements that would otherwise be impossible. In addition to this, the chart serves as a guide to stop losses quickly. For instance: When an old high point is broken through with large volumes of transactions and I am short of the market I immediately cover my short stock and go long, even though I am forced to take a loss; and in this way one's losses are never large, while you can follow the market when you get right, pushing your success by adding to the first purchase as the market advances, and in this way it does not take long to make up losses, while there is never any danger of losing your entire capital. This fact of having courage to take losses I cannot impress upon my readers too strongly. It is one of the fundamental principles upon which successful operations are founded and one of the hardest things to do until you get accustomed to it.

In fact, at times I have had to fight against my own natural inclinations to hold on, hoping that the market would go back so as to let me out without loss, and in almost every instance where I have failed to stop losses quickly it has resulted to my disadvantage.

AVERAGING.

This plan is a very old one and is often advanced to the novice as a sure method to follow, and it would be a sure method were it not for the fact that it requires unlimited capital; therefore, it does not come within our jurisdiction. This book is intended for small traders and not for those who can manipulate stocks as they choose. By small traders I mean those who trade in from 10 to 1,000 shares at a time, so that the quantity you are able to command does not have any immediate effect upon the market. **It is therefore necessary that we follow the market and do not try to lead it.** The stock market is too broad to be influenced by such transactions alone, and we therefore must always aim to follow the general direction in which prices are moving. In addition to watching chart movements closely, it is therefore necessary to pay strict attention to the volumes of transactions as they come out on the ticker, and in order to be competent to judge clearly one must have a great deal of experience or even these will be misleading; and volumes must be considered in proportion to the activity of the stock in which you trade. For example: 1,000 share transactions in Sugar are no larger in proportion than 100 shares of Louisville. As a rule, I advise you to confine your operations entirely to active stocks. Do not trade in the dead ones except at such times as they become active. Then get out of them before the activity ceases. Nearly every day I get letters from people saying that they are holding low-priced stocks which are hardly ever quoted on the Exchange and asking my advice regarding the same. In most cases the stocks mentioned are not worth the paper they are printed on and probably looked attractive to the investors only on account of their low prices. To all such I can only give one advice and that is to sell them for what you can get and confine your operations in the future to active stocks. There are many reasons why it is preferable to trade only in those stocks which have a momentary market, and one of the most important is that when the market is going against you you can get out, whereas if you are tangled up in some issue that is only quoted once in a while and the general market turns suddenly weak from any cause, you can only find buyers by making large sacrifices; whereas in an active stock you can always get out at the market

and even though you may have to take a loss sometimes it is very easy to make it up. In connection herewith, allow me to relate a recent personal experience in this line.

One morning, not so long ago, after looking over my charts and before going to my broker's office I made a note of prices at which I thought it safe to buy several stocks which were then quite active, among them being Rubber, Com. The closing price of this the night before was around 42 and I figured that it should be bought for a turn at about 40½. The market opened quite weak and I bought right after the opening 100 shares at 40¼, but the stock kept coming out in large quantities, 500, 1,000, 800 share lots, etc., and it soon broke through 40. I had forgotten where the exact low point was so I rushed back to my office to examine the chart, and by the time I got back to the broker's office it was down to 38. Had I been where I could refer to the chart without loss of time I would immediately have sold out my holdings and went short of the market on its breaking through 40 As soon as I got back to the broker's I sold 300 shares at the market, getting it out at 38. In less than fifteen minutes I bought in the 200 shares I was short of at 35½, so that I not only made up the loss on the first hundred but made $200 profit besides, and had I not acted at once the first trade would have shown $500 loss. I merely mention this to illustrate the immense benefit that a speculator derives from having a guide, such as a complete set of charts. But in addition to having these guides you must also have at least an ordinary set of brains and a cool head. Don't talk to others about the market. I also advise you to pay no attention to the news ticker or gossip that is circulated in all brokers' offices. Large operators know how to handle these news agencies so to get just such stuff published as they want the average speculator to read, and if there is any importance to the news it has been digested by the insiders before it reaches you. The same rule applies to the financial page of the daily newspapers and aside from keeping in touch with railroad earnings and financial conditions in a general way, a speculator would be better off to read nothing but the tape. As old Commodore Vanderbilt once remarked "the talk that suits me best is the talk of the tape."

THREE DAYS.

I have noticed by careful observation that when there is not a decided bear or bull movement on, the market will be bullish for about three days and then have a declining tendency for about the same period. Of course this is not infallible but when the general market starts in any one direction it seems to require about that much time to expend its force, and except in extreme bull

movements, like that of last August, it is a good rule to keep in mind, and at such times it is most important to pay careful attention to the volumes of transactions. For instance: When the market has been working in an upward direction for about three days and we will say Burlington is 120, transactions have not been very large for a day or so and you see 500 shares and 1,000 shares followed up by other large blocks coming out at declining prices, it is safe to go short for a turn, and the same rule reversed applies to an advancing market after a two or three day downward tendency. The significance of the volume of transactions I find is very little appreciated by the average trader. You can go into any brokers office and you will see nearly all of the customers sitting in their seats merely watching the prices posted on the board and paying no attention to the volume of transactions, and they therefore have no guide by which to operate any more than a man who is at distance from the market.

WHY I AM NOT WORTH A MILLION.

Since issuing my first book I have received a great many letters from people referring to the table on page 16, asking me why I had not invested $500 ten years ago according to that plan, and in order to avoid unnecessary correspondence regarding this fact I take this opportunity to make this point clear. In the first place when I first made my appearance in Wall Street in 1888 I was a very young "LAMB," and, as explained in another part, it did not take the wolves long to find me, after which, like many others, I was forced to retire from active operations in this line, and it was several years before I was in a position to make another venture, but, as the old saying goes, "once a speculator, always a speculator," in time I found my way back. During the next few years I did not meet with much better success. Like every beginner I was always a bull and could never sell first but always bought, and even to this day, although I try to overcome the feeling, whenever I go short of a stock, should the market go against me a little, I am inclined to feel worried. Possibly the fact that we know there is no limit to which a stock may advance while a decline can only go to nothing, is to blame for it, but the short side is really the safest one to operate on when the markets are suitable, because a short trader never has to pay interest, and the interest is quite an item on the long side, although there are times like last August when one should never sell a stock short, but I, for one, did not make a single short sale during the whole month, but turned at the top of the bull market around the first of September. I illustrate on another page a chart of St. Paul stock from April 20th, 1897, to November 21st, 1898, and by careful observation you will see

that the '98 movement was identically the same as that of '97, and by a curious coincidence started on the same date and culminated practically at corresponding period. This was my guide for the general market, and when St. Paul turned I then figured that the bull market was at an end for the time being. St. Paul may be considered the backbone of the market at the present time and the tendency will not be very far in either direction without this stock moving in the same way. You will note the double tops made by St. Paul around September 1st, and also note the resemblance on the chart to the top made one year before. On the strength of those very items I had the courage to sell St. Paul short at 114¾ the day the dividend was declared when everybody was predicting an increased dividend rate, and before the close of the market that day there was a break of five points in this stock, but I am digressing somewhat from my subject, as I started in to tell you why I am not yet worth that million. It is now only a little over a year since I commenced to study chart movements of stocks and to pay strict attention to the volumes of transactions, and until that time I could never make a profit without giving it back before I got through. In other words, I would make money on a bull market and get caught on the down turn, so that by boiling it down I think I may briefly express my experience in these words: Although I have been in touch with Wall Street for ten years it took over nine years' of bitter experience for me to learn how to make a profit and keep it.

Another question which I often have asked me is this: "If you can make money in speculation, why don't you operate for yourself and not offer to divide profits with other people?" If one would stop to think twice I do not think it would be necessary to ask this question. As I explained in the first edition of my book I was employed by a brokerage firm previous to that time and it must be plain to all that had I been the possessor of an ample fortune I would not have been employed on a salary. In other words, when I first issued this book in July last, my capital was very limited, but I am pleased to say that since that time I have met with such success that I am now in a position where, by careful operations, I am sure soon to be the possessor of an ample fortune. But at the same time you must not forget that the possibilities of stock exchange operations are unlimited and that a careful speculator can use $1,000,000 to even better advantage in proportion than is the case with $10,000 or $100,000, and the capital that I am handling for other people does not detract from my ability to handle larger amounts to equal and even better advantage. In fact, I am still a trailer. In other words I follow the market and make no pretence of leading it,

which, however, I hope to be able to do at some not too distant date.

DON'T ASK FOR ADVICE.

Another class of correspondence that I take the liberty of answering here refers to those who, in spite of my clearly defined terms given in another part of this book, ask me to send them a few trial tips as a test. Of course their request sounds reasonable enough at first thought, but my time during market hours from ten until three o'clock is wholly devoted to the interest of the accounts under my management and I do not have time to send telegrams even if it were policy to do so, which I do not think it would be for the following reasons:

As I have explained under the article "Averaging" in order to successfully speculate one must pay strict attention to the volumes of transactions in addition to watching the chart movements, etc. For this reason it is simply impossible for me to advise anyone at a distance in time to benefit them, as I act upon the impulse and instantaneously. Often, and in fact in most cases, the necessary loss of time which must arise in sending a message to you would be fatal to success, and in fact even within a few minutes after I have made a trade I might see reasons to change my opinion, but I could not notify you in time to prevent your making a loss—possibly a serious one. Then again you are away from the market and there would be another loss of time in executing your order. In many cases I would like to comply with such requests were it not for these facts which I consider sufficient alone to warrant me in firmly declining all such requests, in addition to the further fact that, as above explained, I have no time to give such matters my attention.

LIMITED ORDERS.

In addition to having courage to take a loss when necessary, regarding the necessity of which I have entered into more fully in another part, **I desire to impress upon my readers the necessity of buying or selling at the market.** Never limit your orders unless you have a trade in some stock which is very inactive and there may be no market for it at the time, but only in such cases is a limited order excusable. If you buy a certain stock and afterwards feel that you are wrong, sell it at the market. Don't put an order in to sell it at ⅛ above the market or even at the last price given for the reason that if it is going down you want to sell it any way, and if it is going up you are wrong in selling it. In other words your action is founded upon the supposition that your opinion is correct, and if it is correct, the chances are that the market may not advance sufficiently to

let you out, and the result will be a serious loss, while if you are wrong, the little difference will not be seriously felt. **Therefore, I say, always buy or sell at the market and do not limit your orders.**

Another rule which I have found practical is that after you have bought or sold a stock believing that it would move in a certain direction from the action of the market, and it should become dull and featureless within a day or so, with no evidence of any definite movement in either one direction or the other, **get out of it at once.** Don't mind the price. Don't stop to figure whether you have a profit or a loss; sell it at the market.

PATIENCE.

This is another essential requirement of successful speculation. Always remember my golden rule: **"When in doubt do nothing."** If the market is inactive and featureless stay out and keep your capital intact so that as soon as there are some definite developments you can take advantage of them without loss of time. Never mind if you do not make a turn for a week or a month for that matter. You are better out than in, since when you are out, you have nothing to worry you. You may see opportunities that you have missed by being out but don't forget that if you were in the market the chances are even that you would have been on the wrong side, because unless you can see something upon which to base your calculations, which you would not be able to do on a dull and featureless market, you are merely taking equal chances. **Remember you never lose anything when you are out** and you are then in a position to act quickly when an opportunity presents itself. Look at the possibilities of doubling your money once in two months given on page 16, and if a man will have patience to stay out and only act on special occasions I believe it possible for one to double his money that often without serious risk.

DON'T STRADDLE THE MARKET.

Every now and then I meet someone who has an idea that in case he is long a stock and the market starts to decline it is good policy to sell the same quantity short and leave both trades open. An honest broker will tell you that there is no such thing as being long and short of the same stock at the same time. In other words, when you sell short to hedge, you are to all intents and purposes closing out your long stock with this exception: In order to close the deal you still have to buy and sell the same quantity, which practically costs you an extra commission. Therefore you are working against your own interests to enter

into any such transaction, and although there are probably no stock exchange houses who would allow a customer to operate under such a delusion, I have known people to make one trade in one broker's office and go to another to make the hedge trade. In this way he is long with one broker and short with another and each broker has his margin for which he is getting no interest, and besides he is compelled to pay interest on the long stock he is carrying and gets nothing for the short stock; so that in addition to the extra commission there is a sure loss of interest on the full market price of the stock for the length of time the trade remains open. It seems rather queer that anyone should labor under such a delusion, but I have met many intelligent men who have advanced this idea. I therefore avail myself of this opportunity to point out wherein such operations are at fault.

CONSOLIDATED STOCK EXCHANGE HOUSES.

The Consolidated Stock and Petroleum Exchange was organized in 1875. It occupies its own property corner of Exchange Place and Broadway, running through to New Street. It has gradually grown in size and prestige until it is now a prominent competitor of the old New York Stock Exchange. The daily transactions in active stocks on its floor aggregate on the average nearly half the volume of those made on the old Exchange, and there are many reasons why it is sometimes advantageous to operate on the Consolidated Exchange in preference to the New York Stock Exchange; especially is this true for small operators. One reason is that the commission is only one-half as high, being one-eighth for the round turn, whereas, the New York Stock Exchange rate is one-fourth for the round turn, and this is no small item, as it is figured that **the average speculator will pay as much in commissions each year as his account amounts to at the start.** Another advantage offered by Exchange is, that there are no interest charges for trades made and closed during the week, but only for those which are carried over Sunday, while the New York Stock Exchange houses charge interest on trades even when only carried over night. It is, however, true that in some instances the Consolidated market will be one-eighth over or one-eighth under the regular market, but while this works to a disadvantage occasionally, it also works to one's advantage at other times. I have had a great deal of experience in operating through Stock Exchange houses, and while I have every respect for a great many with whom I have had extensive dealings, I must say that I have received on the whole better treatment through Consolidated Exchange members. Many a time have I placed an order on the Stock Exchange to buy or

sell at the market, and have had many orders executed at one-half point or more away from the last quotation, and it is only occasionally that the Consolidated market is more than one-eighth away, and in addition an almost unlimited quantity of stock can be unloaded on the Consolidated Exchange without breaking the market; while oft-times a few hundred shares will affect the Stock Exchange market. The reason for this is that the Consolidated operators are guided in their dealings by the New York Stock Exchange prices. There are also several Consolidated Stock Exchange firms with whom I have had extensive dealings and know their financial standing to be fully as high as that of any house in the Street, and for a small trader, I say, place your account with a good responsible Consolidated Stock Exchange house, by all means, because in addition to the above advantages which would accrue to the benefit of a fairly large trader, you also have the advantage of being able to trade in small quantities without paying from one-half to one point commission: in other words, when a trade for ten or twenty shares is executed on the New York Stock Exchange, it is almost always from one-fourth to one-half away from the regular market, and this added to one-fourth commissions, makes trading for the small operator on this Exchange, a pretty expensive luxury. **However, do not send your account to any house until you have investigated their standing, both financially and regarding their standing on the exchange,** and if you have no other way to secure this information, I will be pleased to furnish you with the facts on request.

WHEN YOU WIN, SOMEONE ELSE DOES NOT ALWAYS LOSE.

It seems to be the general impression amongst people with whom I have come in contact, that in order to win, it is necessary that someone else must lose a like amount, and I have also seen the statement in print several times. This would be true if speculation was gambling, as the preacher will tell you, but it is no more so than buying real estate. Of course there is risk in all things. We take chances every time we go out of doors, and it may be said that there is nothing certain except death. But says some one, "Where do you draw the line between stock speculation and gambling?" Herein lies the difference:—**the general tendency of values in America is in an upward direction,** because we are making rapid strides forward. Our financial conditions are becoming better gradually, and our country is developing very rapidly. This naturally results in increased railroad earnings and increased earnings for every combination of capital in the land, and a consequent increase in the value of these securities. Therefore, if you bought Atchison Preferred a few weeks ago at 32, the advance in price which has taken place since is a natural enhancement in value and is your profit for using good foresight and judgment, while no one is loser thereby. Again, suppose you bought Brooklyn Rapid Transit last Spring, when I was using every effort to get my friends to do so, you have practically doubled your money since then if you bought it and paid for it outright, while if you bought it on a margin, your profit is just that much larger in proportion, because you could have bought ten times as much on a 10 point margin as you could have purchased outright and paid for in full. **Therefore a profit at the present time under the latter plan would amount to just ten times the amount of your investment, and no one necessarily loses a single dollar by this transaction,** because it is merely an enhancement in value which has taken place from the improved conditions which exist. Can anyone show me where these transactions differ materially from the one where Deacon Jones bought a corner lot and paid down in cash one-tenth of the purchase price, giving a mortgage on the balance, and the lot doubled in value in six months? One is as much of a gamble as the other, and no one necessarily had to lose the amount that the other made on the transaction.

While the above remarks are made principally as an answer to people who profess to look upon Wall Street operations as gambling, I will add that in my experience I have found it to be almost an infallible rule, that these very same people who are loudest in their condemnation of Wall Street, are those who, by their stupidity or disregard for actual conditions, have lost their money in stock speculation. As a rule, it is only gambling to those who have lost, and it is entirely superfluous to profess a morality superior to stock speculation. In fact, a pew in the Church and a seat in the Stock Exchange are not now absolutely inconsistent holdings.

TAKE LARGE PROFITS.

The average speculator cannot stand prosperity, and as soon as the market starts to go his way, he will turn somersaults to close out his trade so as to cinch the little profit that it shows, and on the other hand, as soon as he gets wrong in the market, he will stand around and see his margin melt away one, three, five, ten and even more points, provided he has sufficient money to supply the urgent calls of his broker.

I cannot impress this fact upon my reader too strongly, and I believe this is one of the most frequent reasons why the average speculator loses his capital in the end.

BEWARE OF ADVICE.

Do not talk about stocks to people you meet, and even avoid getting your broker's opinion, as brokers are usually very poor advisers, and as a rule are the most ignorant men about railroad stocks and property involving their clients' interest that can be well imagined. A broker usually gets some sort of opinion in his head about a stock, and he retains it, but never changes his mind or gets any other information on which to base an opinion. In the above remarks, I have not intended to cast any reflections upon a broker's integrity, but really I believe they are the worst advisers one can have, and are shamefully ignorant of what concerns their clients most, and besides every broker knows that the public are only waiting to buy, and that they hardly ever sell stocks short; therefore if he is not entirely certain regarding his opinion, the chances are nine to ten that he will advise you to buy something—any old thing—for the reason that if he advises you to sell, you will do nothing, and he will, therefore, make nothing in commissions. This is one reason, I believe, why some houses always issue bullish market letters regardless of actual facts. As I remarked above, do not talk stock to people you meet as your own opinion is probably fully as good as theirs, and while you may not believe what they say, yet if you listen to them, the chances are that it will unsettle your own opinion, and will make an impression on your mind that will have a tendency to influence you to do the very opposite to what you ought to do.

PROSPERITY NOW WITH US.

This is a bull country, and as I have said before, **the natural tendency is toward enhancement of values of all securities, and we are just now on the eve, I believe, of one of the most prosperous periods with which we have been favored.** Prices of securities probably look high to you, and they are, if compared with those of a couple of years ago, but conditions have materially changed. The Silver agitation which reached its heighth in 1896 is dead and buried, and **from its grave arises a national prosperity such as we have never seen before and such as no other country on earth has ever experienced.** Of course this boom process will in time go too far, and there will naturally be a severe reaction after a while, but I think it safe to feel assured that this will not occur now for several years, although there will be in the meantime periods of liquidation accompanied by reactionary markets, but **if you are wise, you will not wait for the last cent to be added to the price of stocks before securing your profits.**

I know of no way by which money can be made so rapidly as by careful and conservative speculation, but there are many reasons why you should have experience, or at least be guided by some one who is competent to judge of these conditions, and when to buy or sell. I have found that by watching chart movements carefully as herein explained, one is able to judge quite accurately as to future market movements, and although these movements are not always infallible guides, by paying close attention to them **we are enabled to stop losses quickly when wrong**, and on the other hand **when right, we can pile up our profits by buying or selling more as the case may be as the market goes our way.**

NOTE.—The above was written in October, 1898. Since that time prices of most securities have advanced tremendously, ranging from ten to one hundred per cent., and at present writing (April 15th, 1899) I am still inclined to the belief that we are only at the beginning of what will go down so posterity as **the great bull movement of 1899.**

THE FOLLOWING ARE PORTIONS OF MARKET LETTERS BEFORE REFERRED TO WHICH WERE PUBLISHED IN THE NEW YORK EVENING SUN ON DATES GIVEN:

THURSDAY, MARCH 3, 1898.

All the information at hand appears to point toward a coming conflict, but the ultimate result of a war with Spain cannot for a moment be doubted. Aside from the loss of life, which is to be deplored, the result would be beneficial to us in a financial way, and while the tendency would be to unsettle the security market for a time, as soon as speculators and investors once come to look upon the situation from the proper standpoint, there would be a **tremendous advance in the price of all securities.** A declaration of war with Spain would necessitate the floating of a large loan by the Government, which at first might serve to depress prices, but the money secured from this loan would immediately find its way into circulation through the employment of what is now idle labor, and every factory in the land would be rushed to its fullest extent to fill orders for supplies and munitions of war. This would result in an increase in our circulating medium and a general revival of activity in all kinds of business, and in the end the Spanish Government, or what is left of it, would be made to repay us for every dollar expended, so that the loss would be on the other side of the ledger. The war question, it seems to us, has not been looked upon in its proper light. Were there any reason for the slightest shadow of a doubt as to the ultimate outcome, the situation would be entirely different; **but there is none.** The tremendous wealth of the United States, accompanied by the well-known patriotism of its citizens, places us in a position where we can well afford to stand upon our national honor without fear as to final results either from a patriotic standpoint or as to our financial interests.

* * * * *

Brooklyn Rapid Transit we believe is one of the cheap stocks which offer a profitable field for the investment speculator, and we take pleasure in recommending it to our clients.†

Of course the situation is such that **careful and conservative investment should be recommended,** as the rapid fluctuations which are likely to occur any day might result in serious loss to traders who operate on narrow margins.

Wheat: The bull clique at Chicago at present holds all of the cards in the wheat market, and our information from that centre leads us to believe that the price will be advanced, but the situation as a whole we do not believe warrants higher prices, and **there will come a time later on, when the Leiter crowd attempt to market their holdings, that prices will suffer a severe decline.** However, under the circumstances, would advise the purchase of July Wheat on the declines for quick turns. We look for heavy Argentine shipments for to-morrow and other bearish features, but under the present status of affairs **actual conditions cut very little figure in the Wheat Market.**

* * * * *

NOTE.—On this date Brooklyn Rapid Transit was selling around **40** and one year later sold at 137, where the charts told you to take profits. (See Page 81; also article on charts published by me in Wall Street Ticker, on March 30th, 1899.)

Range of Prices on Leading Stocks, March 4th.

	High	Low.		High.	Low.
Sugar	128⅛	126⅛	St. Paul	94	92⅝
Tobacco	91⅞	91⅛	Rock Island	87¾	85¾
Brooklyn Rapid Tran...	41⅝	40⅛	Northwest	123⅛	121¾
M., K, & T. Ppd	36¼	35¾	Gen. Electric	33½	32⅝
N. P. Pfd	63⅜	61½	Louisville & Nash	54¾	53¼
U. P. Pfd.	55½	52¾	Manhattan	106¼	103½
Burlington	95¾	94⅜	Tenn. C. & I.	21	20

FRIDAY, MARCH 4, 1898.

The stock market was somewhat heavy to-day, and it was apparent to well posted operators that Washington sources were selling large blocks, and altogether there was practically no news of importance relative to the Spanish situation. There appears to be an ominous silence, and the fact of the Government recently placing large contracts for powder and shells adds to the belief that the President is making every preparation for a decisive movement. **There is no mistaking the handwriting on the wall,** and day after day adds to the belief that a conflict at arms is now almost inevitable. The result of such a conflict cannot fail but be beneficial to the security markets in the long run: but of course the firing of the first gun will result in a sharp break in prices. **Remember there are two sides to the market,** and the safest plan to operate under at present is to make quick turns.

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If there ever was a time in the history of finance when cool judgment was necessary to enable one to operate successfully, that time is the present. Should a war proclamation be issued or an ultimatum be given Spain, there would no doubt be a raid on values, and a sharp break in prices, and just at the time when the market looks the heaviest, and all of the news agencies are sending out bearish items to scare out the outside holders bottom prices will be touched. This will be the time to purchase good securities, and the reaction will be even more rapid and positive than the decline. **We recommend only conservative speculation under present conditions.** Do not buy stocks on narrow margins unless for a quick turn, in which case losses should be limited to **not over one or two points.** There are a few cheap securities which, however, you can buy and hold safely, provided you are in a position to margin them should any decline take place. Remember it is practically impossible for any trader to buy at the extreme low or sell at the extreme high price of any stock, and the safest plan to operate under is to **purchase good safe securities when the market is weakest** and hold the same for large profits. Do not try to make a trade every day, but stay out of the market more than you are in it. There will be a good opportunity in a few days to make purchases of certain cheap stocks which are almost sure to make big advances within the next few weeks.

One of the cheap stocks which we strongly advise the purchase of on the decline, is Brooklyn Rapid Transit.

NOTE carefully how my predictions in every case have been fulfilled, not only in advising when to buy, but also the proper time to sell. The extreme low points on leading stocks were named by me a week in advance.

SATURDAY, MARCH 5, 1898.

Were it not for the strong support the market has received from moneyed sources and the plethora of idle money in our banks and vaults there would no doubt have been a more severe decline in prices to-day in the stock market, considering the active preparations of both the United States and Spain for a contest at arms. A great many people still refuse to believe that there is a possibility of war, but the preponderance of evidence is certainly on the other side, and although it would be unstatesmanlike for people in authority to state the facts, there is abundant proof that every preparation is being made by both the United States and Spain for a coming conflict, and we believe that under existing circumstances a war between the United States and Spain is inevitable **if our national honor is to be upheld.** Of course it is necessary for the Government authorities to withhold the facts in order to get our army and navy in condition to meet any demands that may be made upon it, and the stronger the blow we can strike at the start the quicker and more decisive will be the termination of the conflict, The desperate attempts of the Spanish Government to borrow money at usurious rates of interest is abundant proof of her weak financial condition ; in fact, she is at this moment embarrassed to meet the interest on her maturing bonds falling due the first of April. That she will strain every effort there can be no doubt, but the fact remains that the United States Government can raise $1,000,000,000 in cash easier than the Spanish Government could borrow $1,000,000. Napoleon said: "Give me three things and I can conquer the world. First, give me money ; second, give me money ; and third, give me money." We have the money, and are not afraid to use it when necessary in the defense of our national honor. In case the President does not take a decisive step when the proper time arrives, Congress will take the initiative and he will be forced to act. A careful observer, however, should have no fear of any unfavorable effect on our securities resulting from this cause except in a temporary way, as the result will be final and decisive, and Spain in the end will be compelled to pay all of the costs, while our manufactures and industries will be largely benefited by the same.

Good stocks can be safely purchased on the breaks, and from present indications we believe there will be good opportunities to buy several cheap securities on Monday **which will show large profits before the end of** next week. We do not encourage traders to operate on narrow margins under present conditions, but **advise conservative operations only**, as the markets will remain somewhat erratic and uncertain, but the strong financial conditions can only have one result in the end, viz.: **ultimately a big advance in prices,**

Range of Prices Monday, March 7th.

	High.	Low.		High.	Low.
Sugar	124⅜	121	St. Paul	91	89¼
Tobacco	90⅛	86	Rock Island	84½	83
Brooklyn Rapid Tran...	38¾	37	Northwest	119¼	117¾
M., K. & T. Pfd	34⅛	33	Gen. Electric	31¼	30¼
N. P. Pfd	60⅜	58⅝	Louisville & Nash	51	48⅞
U. P. Pfd	50½	48⅝	Manhattan	101	98
Burlington	92½	90½	Tenn. C. & I	20	19¼

CHICAGO WHEAT.

	High.	Low		High.	Low.
May	106¼	104½	July	90⅞	90

MONDAY, MARCH 7, 1898.

At no time since the disaster to the battleship Maine has the situation between the United States and Spain been as critical as at the present moment. The market opened very weak and panicky. This is just exactly the kind of market we predicted for to-day in our letter published in this column Saturday, and we **then advised the purchase of good stocks in a conservative manner to-day.** We have said right along that such developments as occurred to-day were likely to come at any time, and we believe that a war with Spain is almost inevitable, but the effect of such a war will not be to the disadvantage of American securities except for temporary periods, such as this morning, when some new feature is announced to the public which the news agencies will give a wide circulation for the purpose of scaring out the weak holders and fleecing the lambs. The only unfavorable effect a war would have on the security market would be in the way of tightening money for the time being and an increase in discount rates, but the fact of large imports of gold continuing and the tremendous amount of idle funds on hand seeking profitable investment accentuate our strong financial condition at the present time, and there will be plenty of money to purchase stocks on such sharp declines as we experienced this morning. **We look for a decided advance in prices to-morrow,** and believe that stocks purchased this morning will show handsome profits within a very short time. We cannot emphasize too strongly the fact that **traders should operate in a conservative manner** under the present status of affairs, and we only advise the buying of good stocks on such breaks as occurred this morning, **with liberal margins.** The man who cannot margin his holdings five or ten points had better stay out of the market; not that it is good policy to have a trade go against you five or ten points before stopping a loss, but for the simple reason that you can act with cooler judgment, and should it be necessary to take a small loss it will not be felt so heavily. We look for active markets for a long time to come and believe that the careful speculator can make profitable turns by using a little judgment in his operations.

* * * * * * *

Wheat: The bull clique at Chicago are still masters of the situation, and an outsider would be foolish to sell May wheat short at present, as long as they are in a position to force the price up at will. They have also the assistance at the present time of the March thaws and freezes, which will be used as bullish arguments. This is the natural time of the year to look for bullish movements in wheat, and the short interests in May option will likely be made to suffer. **We, however, fail to see how the Leiter crowd are going to get out of their large holdings without tremendous losses in the end,** but under present circumstances think it wise to steer clear of the May option and confine speculative ventures mostly to the July option. As long as they maintain their present position we believe it safe to buy July wheat on the breaks.

Range of Prices Tuesday, March 8th.

	High.	Low.		High.	Low.
Sugar	126	124⅛	St. Paul	92	91⅛
Tobacco	91⅞	89	Rock Island	85¾	84
Brooklyn Rapid Tran	39½	38½	Northwest	120⅜	119⅜
M., K. & T. Pfd	35	34¼	Gen. Electric	32⅛	31¾
N. P Pfd	61⅝	60¼	Louisville & Nash	51¼	50½
U. P. Pfd	52	50⅜	Manhattan	103⅝	101½
Burlington	93⅛	91⅞	Tenn. C. & I.	20½	20

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	105½	104	July	91⅛	90⅜

TUESDAY, MARCH 8, 1898.

*In our letter yesterday we predicted a sharp advance in price of securities to-day, and **strongly advised the purchase of stocks yesterday** in our market letter of Saturday. We know it is a mean thing to say "We told you so," but at the same time there were such good opportunities to make profitable investments yesterday that we only regret the fact that our advice was not taken by more operators. We do not see any reason to fear unfavorable results from any war developments which may take place in the future, but at the same time we cannot express too strongly the need of **operating in a conservative way** while the markets remain so erratic. **Small trades and large margins should be our watchword,** and one should not try to make a trade every day, but take advantage of such breaks as we had yesterday to purchase good stocks on, such as **Brooklyn Rapid Transit**. This is a stock the future of which we feel very confident of, and believe it can safely be purchased on the breaks.

Wheat: The wheat market holds barely steady, and receipts continue quite large at Chicago. It is evident in well-informed circles that Armour is calculating to deliver a lot of Wheat on the May contracts, and he will probably be able to deliver in the neighborhood of 10,000,000 bushels. We do not see how the clique is going to sell their wheat at a profit, and feel that the time is coming when they will have to sacrifice their holdings at tremendous losses. However, it is somewhat dangerous to sell May wheat under present conditions, but we believe the time will soon come when July wheat **can be safely sold and held for big profits.**

*It will be seen at a glance that by following my advice of Saturday to buy at opening Monday, profits ranging from three points in the Grangers to over five points in Sugar, Tobacco and Manhattan were made in twenty-four hours. This is no exception, but one instance of hundreds of others, only a few of which I am able to reproduce here owing to lack of spaces. The closing prices were around the high point, and market opened still higher on Wednesday.

WEDNESDAY, MARCH 9, 1898.

It looks very much to us as though shrewd speculators were selling stocks to-day on the advance, and this being the case **we believe another break can be looked for within a few days,** perhaps to-morrow.

* * * * *

We still remain bullish on the situation for a long pull, and believe that good securities can be purchased on breaks and held for big profits, no matter whether there is a war with Spain or not; but at the same time would not advise speculators to buy while the situation looks so uncertain, as we believe there will be a better opportunity to purchase in a short time, and **would now advise the taking of profits on long stocks on any little bulge.**

Wheat.—Evidence is accumulating day after day to show that Armour and the elevator combine are making preparations to give the Leiter crowd a large amount of cash Wheat on the May delivery. Of course the large amount of money behind the bull clique will enable them to run the deal along for some time to come, but no **man or set of men can control the wheat market of the world** for an indefinite period, and sooner or later their tremendous holdings will be dumped upon the market at any price obtainable, and the result will be a big slump in prices.

*Range of Prices Thursday, March 10th.

	High.	Low.		High.	Low.
Sugar	125¾	123¾	St. Paul	92	90¾
Tobacco	95	92½	Rock Island	85⅛	83¾
Brooklyn Rapid Tran	39⅛	38¼	Northwest	119⅝	118¼
M., K. & T. Pfd	34⅜	33¼	Gen. Electric	33¼	31¾
N. P. Pfd	61	59¾	Louisville & Nash	51⅛	50⅛
U. P. Pfd	51⅜	50⅛	Manhattan	102¾	100½
Peoples' Gas	91¼	89⅞	Tenn. C. & I.	20⅛	19⅝
Burlington	92½	91	Mo. Pacific	26⅝	25¼

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	104¾	104	July	90¾	90⅛

*The highest prices were around the opening where I advised taking profits on long stocks in Wednesday's letter as above. This is the point where I turned bearish as you will see by carefully following my letters; also kindly note the action of the market for the next few days.

THURSDAY, MARCH 10, 1898.

The market opened quite strong this morning and presented favorable opportunities to take profits on long stocks. There was comparatively no outside business, however, and operations were confined principally to professional traders. Considering the complications both at home and abroad, and the large war grants that have taken place by the United States, Russia and England this week for the purpose of strengthening their Armies and Navies, and the prospect of the unsettled condition continuing for several months to come, we look for the stock market to gradually work to a lower level. Of course there will be sharp rallies, but the same should be taken advantage of on which to sell stocks until these war features are out of the way. As we have said before, a war with Spain would not injure our securities in the least, but it would necessitate the floating of a large issue of government bonds, and this would temporarily tighten the market. **Tight money must inevitably result in lower prices for stocks,** and the sacrificing of securities; therefore we say that while a war would be a big benefit to this country in a commercial way and result eventually in much higher prices for stocks and commodities, speculative operations for the present should be confined mostly to the short side of the market, and we advise the selling of the high priced stocks on sharp rallies. The market will, no doubt, be active in a little while and there will be good opportunities to make profitable turns if ordinary discretion is used in so doing.

The most significant news regarding the war preparations that came out to-day was the report that Commander Brownson, who sailed on the "St. Paul" for England—presumably to inspect war vessels built abroad with a view to purchasing—has really been placed in command of the "St. Paul," and the further assumption that when the "St. Louis," "Paris" and "New York" steamers next sail for European ports they will also be placed in command of a Naval officer. **We look for surprising news to be issued from Washington in a day or so which will result in another sharp drive at the market,** but on any sharp break we advise the purchase of stocks for a short turn.

FRIDAY, MARCH 11, 1898.

It looked very much this morning as though the London market had been manipulated for the purpose of affording a strong opening here on which to unload stocks. At any rate the first prices were high point for the day, and the whole market gradually sagged as the result of the unloading of long stocks by traders who are supposed to get first news from headquarters regarding the new developments in the war situation. It is now generally known that the Maine was blown up as the result of Spanish treachery, and the President is sure to take a firm stand, and will be backed up in any action he may take by both houses of Congress. **This means war, pure and simple.** If Spain should back out the result would be the overthrow of the monarchy, and it is like a drowning man catching at straws; they will make a desperate effort, even though the chances of success are very slim. The large imports of gold to this country from foreign shores are the only strong features that we see at the present time, but a declaration of war must result in a large issue of bonds by the government, and all our idle funds will be absorbed to take up these bonds, resulting in tight money temporarily. We therefore can see only one result, viz.: **lower prices for our securities for a time at least.** However, operations should be carried on in a conservative way, because the market is likely to become oversold at any time and in that case there may be sharp rallies, each one of which **should be taken advantage of on which to sell stocks.** We advise selling the high-priced stocks in particular. On any sharp break we advise the covering of shorts and purchasing for long account for a short time, but **do not advise operating on the long side except for a quick turn,** under present conditions. One of the best stocks to purchase on the breaks we believe is **Brooklyn Rapid Transit.** This stock has a great future before it and as soon as conditions have changed somewhat we believe it will be selling at much higher prices.

Range of Prices Saturday, March 12th.

	High.	Low.		High.	Low.
Sugar	122¼	120½	St. Paul	88⅜	85⅜
Tobacco	92	91	Rock Island	81¾	80⅛
Brooklyn Rapid Tran	36⅝	35	Northwest	116½	113¼
M. K. & T. Pfd	30	28¾	Gen. Electric	30⅜	29
N. P. Pfd	58½	56⅞	Louisville & Nash	47½	45½
U. P. Pfd	47¾	45⅞	Manhattan	97	94⅝
Peoples' Gas	88¾	87¾	Tenn. C. & I	18¼	17
Burlington	88¾	86¾	Mo. Pacific	24¼	22

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	104½	103½	July	88¾	86⅜

N. B.—The low prices were mostly made at the opening.

SATURDAY, MARCH 12, 1898.

The stock market was demoralized at the opening this morning as could have been reasonably expected by any one who has studied the situation carefully. Traders have had plenty of warning as to the state of affairs, and especially have our market letters foretold just such a result to speculative operations. Ten days ago we said there was going to be war and advised conservative operations. Since that time the situation has gradually become more critical until to-day it may be said that almost everybody, without exception, has made up his mind that a conflict at arms is inevitable if our national honor is to be maintained. In the meantime war preparations are being pushed with all possible haste by the authorities both at home and abroad. While a war with Spain will not affect our securities unfavorably in the long run, it **may result in lower prices temporarily** on account of the tight money market which will result from the tremendous expense incurred by carrying on a modern war, but at the same time the greater part of the money used will afterwards find it way back into legitimate channels and our factories and industries will receive an impetus such as has not been experienced since just after the Civil War, and the final result will be improved conditions to the working classes, and all lines of commerce and trade will take on new life resulting in the most prosperous times we have experienced for a quarter of a century.

Although we look for possibly lower prices during the next few weeks,

we believe the low point for the present has about been seen to-day, and you can safely **buy in your short stocks and purchase a few good stocks** for a turn, but when the market rallies several points get out of your long stocks and **watch for opportunities on which to sell short. The short side is the side to operate on at the present time, and will be for several weeks to come.**

MONDAY, MARCH 14, 1898.

The rumor that Spain has bought the Chilian Battleship "O'Higgins," also that the United States has secured two war vessels from Brazil, taken together with the continued active preparations of this government to place its navy and army on a war basis, are sufficient proof to satisfy us as to what the report of the Board of Inquiry will be. The fact of the matter is that to all intents and purposes a state of war already exists, and the first gun was fired when the "Maine" was blown up in Havana Harbor by Spanish subjects, and in all probability under the direct instructions from Spanish officials. Under these circumstances it is useless to look for any substantial rally in the stock market for a time at least, but all **securities will gradually seek a lower level for some time to come,** and **such rallies as took place to-day should be taken advantage of on which to sell out long stocks and also to operate in a conservative way on the short side of the market.** After a while there will be good opportunities to purchase stocks to advantage, as hostilities will not affect the security market permanently, but **will surely do so for the time being.**

The import movement of gold from Europe is keeping up at a rate that was never known before at this season of the year. Since the 25th of February we have received nearly $20,000,000, an average of $1,000,000 per day. This is the result of the balance of trade having been largely in our favor during the past six months, but even this movement will not prevent the money market from becoming tight on the breaking out of hostilities, and for the time being values will suffer **but not permanently. The recovery in prices will be much more rapid than has been the decline.** However, it would be foolish to go into the market and buy stocks just at present, except for a turn, such as occurred to-day, because there will be better opportunities to purchase to good advantage later on. Just at present we say **sell the high priced stocks on sharp advances and stay short of them.**

Range of Prices Tuesday, March 15th.

	High.	Low.		High.	Low.
Sugar, XD 3	123⅜	120⅜	St. Paul	90½	88⅝
Tobacco	95	93	Rock Island	85	83
Brooklyn Rapid Tran.	39⅞	38¼	Northwest	119¼	116¾
M., K. & T. Pfd	32⅞	30⅞	Gen. Electric	32⅞	31¾
N. P. Pfd	61⅜	59⅞	Louisville & Nash.	49⅞	48
U. P. Pfd	51¼	48¾	Manhattan	103	99½
Peoples' Gas	91⅞	89¾	Tenn. C. & I	19¼	18½
Burlington	91⅜	89½	Mo. Pacific	26	24⅞

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	105	104	July	88	85¾

*TUESDAY, MARCH 15, 1898.

The action of the stock market to-day was no surprise to us as we have said right along that just such advances would take place, but they **should be taken advantage of on which to sell stocks.** We know that this kind of talk does not suit the average trader, because people are natural bulls on the stock market, and they only become bears by education. Of course we all have to pay dearly for this education, but it seems that after having paid dearly for it we should be able to derive some benefit from the same. We do not wish it understood, however, that we are chronic bears. This is not the case; but we aim to consider conditions carefully, and then to map out our course.

We do not see anything in the present situation to warrant higher prices, but believe that the stock market is going to work to a lower level for some time yet. **There will be good opportunities before long, however, to purchase good stocks,** such as Brooklyn Rapid Transit, and hold them for big profits. This st ck is, we believe, one of the cheap stocks which warrants the investment speculator in holding it. The large increase in its earnings since its cars have been crossing the Brooklyn Bridge is the best possible proof as to its future value, and when there is another good break, such as occurred last Saturday, **we advise our customers to purchase this stock,** but do not go into it heavily unless you have sufficient margin behind your transactions so that you need have no fear in case of any further break in prices. **A war with Spain is not going to affect our securities unfavorably except for a temporary period.** In fact all of our industries will be benefitted, and we will see the most prosperous times the present generation has ever experienced. At the present time we advise the **sale of the high priced stocks on the rallies.**

WEDNESDAY, MARCH 16, 1898.

Our Washington advices are decidedly positive that the situation has not only failed to improve but that every day and every hour are bringing us nearer to a conflict. There has never been a time in the memory of the

*Please note that on Friday, March 11th, although bearish on the situation as a whole, I advised the purchase of stocks on any sharp break for a turn, and especially advised buying Brooklyn Rapid Transit. The sharp break occurred Saturday morning, and Brooklyn Rapid Transit sold at 35, with most of the active stocks off five or more points from prices of the Thursday preceding—only two days previous. Following this, in my letter Monday afternoon, March 14th, I again strongly urged the taking of profits and selling short again for a turn. As the market closed around the low points on the 15th, it stands to reason that sales were made near the top, and another profit ranging from three to six points was taken out—or a turn each way in less than a week. This is not braggadocio, but history, with ample proof to back my assertions up.

present generation when the situation was as critical as it is at present. The United States Government would not go to foreign countries to buy war vessels and would not purchase private yachts for the use of its navy were it not preparing for hostilities. **War preparations are being pushed to the fullest capacity of both the Army and Navy Departments,** and every facility at hand is being utilized to place us in a position where we can take a positive stand without fear as to consequences. We have reason to believe also that the report of the Board of Inquiry on the "Maine" disaster will be submitted to Congress earlier than is usually looked for, and the result will be another sharp break in the prices of stocks, **but on any such break you can purchase stocks at about the same prices that were touched March 12th,** but would not advise purchasing above the low points of that day.

Wheat.—The spectacle to-day of Leiter's brokers standing in the Pit bidding $1.04 for May Wheat, when had they let the market alone they could have purchased all the May Wheat they wanted at probably from 10 to 15 cents below that price is conclusive proof to us that the bull clique are practically playing their last cards, and although they may be able to support the price for some time to come by the simple brute force of money, we repeat that **no man or set of men have sufficient money to control the price of Wheat for the entire world** for an indefinite period.

TUESDAY, MARCH 17, 1898.

As we have said from time to time, it is simply **foolhardy to look for an advancing stock market while the present war preparations continue,** with not only the possibility but probability that the President will send a very strong message to Congress not later than the first of the coming week. Our advice to our customers just at the present time is to **watch for the day when the President's message goes to Congress**—which will likely be on Monday next if not earlier—and then make a note of the low prices touched on stocks March 12th, and when they decline to those prices or within, say a half a point of them, buy in your short stocks and purchase for the long account **but do not purchase more than you can margin liberally,** so that in case of a further decline you can buy a little more on a scale down; then hold these stocks. Do not try to scalp out a quarter or a half point, but hold them for five or ten points, according to the stocks in which you trade.

*A few of the specialties which we would recommend the purchase of would be: **Manhattan** around **95½; Brooklyn Rapid Transit, 35½; Burlington, 87; Rock Island, 81; St. Paul, 86; General Electric, 30** and **Metropolitan Traction** about **136.** The probability is that these stocks will sell somewhere around these prices within the next ten days, and when they do so you can purchase any of them and hold for good profits, but only **buy in a conservative way** because the market will continue to be very erratic, and if you trade too heavily you are likely to get nervous and close out your holdings before you ought to do so.

Wheat.—There is practically no change in the Wheat situation at this writing from that of yesterday. The bull clique are holding up the price of May Wheat to around $1.04 and no one disputes the fact of their being able to keep May Wheat at that price as long as their money holds out, and the probability is that they will be able to pay for all of the May Wheat delivered to them; but after they have once done so will be the time when they will be holding the bag, and when they go to sell their holdings they will find **prices melting away very rapidly.**

*N. B.—Please keep in mind the prices given on stocks in above market letter and see how far they were from low prices touched on March 26th. All of these figures were published as above given on the dates mentioned in the New York *Evening Sun*. Also note that the prediction was made that these prices would be seen inside of ten days. On the 17th opening prices were as follows: Manhattan, 103½; Brooklyn Rapid Transit, 39; Burlington, 91⅞; Rock Island, 84¼; St. Paul, 90¼; Gen. Electric, 32¾; Metropolitan Traction, 143½.

FRIDAY, MARCH 18, 1898.

Our advice to customers at the present time is to stay short of stocks and have patience to wait for another sharp break in the market; **then purchase good stocks around prices named in our letter yesterday.** We believe these prices will be touched now within a few days, or ten days at the most. The trouble with most of us is that **we speculate too much, too often take too big chances.** The successful speculator is he who only makes a trade occasionally and is out of the market more than he is in it. The present active markets offer excellent opportunities for profitable turns if ordinary judgment is used, but we must not try to become rich in a day. and the time is not far distant when there **will be excellent opportunities to purchase stocks in a conservative way.**

Wheat.—The Wheat market has been quite strong to-day, and if there is any truth in the reports that have been circulated, it looks as though prices were going higher, and we therefore **advise the covering of short wheat and operating in a conservative way on the long side** for the time being. The fact that the bull clique have sold Wheat to-day to be shipped direct to Africa at a premium over the May price is too strong a feature to be ignored. and while we have advised the sale of July Wheat from 92 down we now **advise our customers to take profits on short wheat and purchase a little for the long account.**

NOTE.—July Wheat sold in Chicago, March 18th, at 85 cents closing 86⅛. Six points profit, and I continued to advise its purchase from this point until 125 was reached.

SATURDAY, MARCH 19, 1898.

With the continued active preparations of both the United States and Spain for war, we do not see any reason to look for very much higher prices for the time being, but advise speculators to wait for another sharp break in prices and then **purchase good stocks for a turn.** We do not very well see how war can be avoided under present conditions, and warn traders to pay no attention to reports to the contrary.

We know full well that a bullish argument suits the average trader much better than to be told that prices are going lower, for the simple reason that we are bulls by nature, while it takes education to become a bear, and we pay pretty dearly for this education in addition.

Not only have our advices been correct on the stock market, but we have also advised the sale of July Wheat from 92 down, and yesterday advised the covering of short Wheat and purchasing for the long account.

Although we are still bearish on stocks for a turn, we believe that within a few days the situation will have turned largely for the better and advise the purchase of good securities on the next sharp break that occurs, and especially recommend the purchase of **Brooklyn Rapid Transit** and **General Electric.**

MONDAY, MARCH 21, 1898.

We especially recommend the purchase of the following stocks at or around the prices named:

Burlington, 86; Rock Island, 81; L. & N., 46; Gen. Electric, 30 to 31; Manhattan, 96 and **Brooklyn Rapid Transit any where below 37.** The latter stock is our favorite at the present time for the simple reason that the earnings of the company are showing a large increase resulting from the Brooklyn Bridge franchise. In addition to this it is a low priced stock. so that the interest charges for carrying same will be very small, and we believe it offers as good opportunities for profitable turns as any other stock on the list. Do not wait until the chance is lost to take advantage of the coming stock movement, but place your orders immediately so as to get in to good advantage.

Wheat.—As far as legitimate conditions go we do not believe higher prices are warranted, but considering the fact that the bull clique at Chicago are controlling the May option in addition to their recent large sales of cash Wheat. we are convinced that the time is not yet ripe for bear operations in the Wheat market, and although there will be a time later on when this side will prove profitable, just at present would **advise the purchase of July Wheat on the breaks.**

TUESDAY, MARCH 22, 1898.

Every day and every hour add to the belief that war with Spain is inevitable, and the stock market is gradually sagging lower day after day. For the past fortnight **we have cautioned traders daily to avoid the long side** and to confine operations principally to the short side of the market, but we now believe that the decline is nearly over and on the next sharp break that occurs in prices **advise the purchase of good stocks in a conservative way.** The finances of the country were never in as strong a condition as they are at the present time, and the gold movement from foreign shores continues at the rate of over $1,000 000 per day, with the prospect of its keeping fully as heavy for a long time to come. Aside from this there is an abundance of idle money in the safe deposit vaults which is being held in reserve by the moneyed interests for the very purpose of taking advantage of war values on which to **purchase good stocks at bargain counter prices.**

WEDNESDAY, MARCH 23, 1898.

It looks as though there is going to be a further break in prices, but, as we have said before, **on any sharp decline purchases of good stocks will prove profitable.** One feature of the situation must not be forgotten and that is the fact that there is practically no outside long interest in the market; consequently commission houses are clear of stop loss orders and there is no danger of any large quantity being dumped upon the market on account of exhausted margins. The situation at Washington remains decidedly warlike, and there is no doubt at all in our minds but that the government will take a decided stand early next week. Cuba will be declared free, and demand will immediately be made upon the Spanish government for a large indemnity. This will cause a sharp break in the stock market, and on any such break stocks ought to be bought.

As we said yesterday the time to cease operations on the short side is near at hand, and on any sharp break stocks should be purchased, because we will soon see **the biggest bull movement in the stock market that has taken place for a quarter of a century.**

THURSDAY, MARCH 24, 1898.

In spite of the general belief that war will be declared inside of a week, the stock market to-day held its own surprisingly well, and shows to the experienced observer that the outside speculative interest has been fully eliminated, and as the outside trader is most always on the long side but very seldom on the short side of the market, it is apparent to us that stocks are now held by strong moneyed interests and that they will not be dislodged by any break that may occur. **Now is the time for the investment speculator to place his orders with his brokers and to pick up some cheap securities at war prices.** We have advised our customers for nearly a month past to operate principally on the short side of the market, but we feel now that the time has come to turn and buy stocks on any sharp break that occurs **but only in a conservative way.**

Wheat.—It is reported, on what we consider reliable authority, that the bull clique have marketed a large part of their holdings, and it looks to us as though a sharp rally in July wheat is now due although we would advise limiting losses on Wheat operations for the simple reason that **natural conditions do not warrant these high prices, and the only thing that can hold the market where it is, is manipulation by the bull clique. When they let go, down will go the price 20 or 30 cents per bushel. We are decided bears on Wheat from natural conditions, but it appears at present that the clique holds all of the cards and we therefore expect to see an advance in prices before there is any sensational break.**

Range of Prices Friday, March 25th.

	High.	Low.		High.	Low.
Sugar	112¼	109½	St. Paul	87	85⅞
Tobacco	93	92	Rock Island	81	80
Brooklyn Rapid Tran	36	35⅛	Northwest	114½	113¼
M., K. & T. Pfd	30⅜	29⅜	Gen. Electric	31	30¼
N. P. Pfd	59	57½	Louisville & Nash	45⅞	45⅛
U. P. Pfd	48	47	Manhattan	95¼	92
Peoples' Gas	87¾	86¾	Tenn. C. & I	18	17¾
Burlington	87⅜	86⅛	Mo. Pacific	23½	23

CHICAGO WHEAT.

	High	Low.		High.	Low.
May	104	103	July	82½	81¼

Here was your opportunity to buy stocks at the exact prices named in my letters of March 17th and March 21st, what is more with the exception of Manhattan a two point margin would have been sufficient and a five point margin would have carried that in spite of the wild market.

FRIDAY, MARCH 25, 1898.

During the past two weeks we have continually called attention in these letters to the low points touched in certain stocks on March 12th and advised customers to have patience to wait for these same prices before purchasing stocks. These low points were seen again to-day for the first time since that date, and presented a very favorable opportunity to buy stocks for a short turn. Of course there is not likely to be any substantial advance until the war business is settled, either one way or the other. Anything is better than uncertainty, but at the same time it should not be forgotten that **it is the unexpected that happens in Wall Street,** and we believe that now at least nine out of ten people who are interested in the speculative markets are looking for lower prices, while a month ago we practically stood alone in advising the sale of stocks. Since that time there have been declines ranging from five to twenty points throughout the entire list, and the outside long interests have practically thrown over their stocks and the investment speculator has been getting in his work to-day. We said a month ago, and have continually repeated the same, that a war with Spain was inevitable, but we do not believe that this war will be of long duration for the simple reason that the **Spaniards are not fighters when it comes to a fair and square conflict,** and the sooner this government declares war against Spain the sooner will the Spanish nation get down on its knees and accept the inevitable. Even looking at it from its worst standpoint, should the war last for any length of time it will be a benefit to all of our industries and will result in more activity and better conditions for all commercial enterprises.

*Range of Prices Saturday, March 26th.

	High.	Low.		High.	Low.
Sugar..........................	112¼	107½	St. Paul.......................	88¼	85½
Tobacco..........................	95	91½	Rock Island	82½	80⅞
Brooklyn Rapid Tran...	36¾	35	Northwest......................	116	114⅛
M., K. & T. Pfd	32¼	31	Gen. Electric..............	31¾	30½
N. P. Pfd..........................	59½	57⅛	Louisville & Nash.......	47	45
U. P. Pfd..........................	49¼	46¾	Manhattan.....................	95	91
Peoples' Gas..............	89⅝	86½	Tenn. C. & I..............	18½	17¾
Burlington..................	85⅝	86⅞	Mo. Pacific..................	21½	22⅝

*The lowest prices were made at the opening and in some cases were a little below those of the 25th, but the extreme low points on this movement were seen near the close of the market on the 25th or at opening on the 26th. These low points were predicted by me and published in the New York *Evening Sun* on both March 17th and March 21st. (See files of this paper of those dates' financial page).

SATURDAY, MARCH 26, 1898.

Of course everybody came down to the exchange this morning feeling bearish after reading all of the news published in the evening and morning papers and the result was a somewhat panicky opening, but the same

people who sold stocks at the opening were soon trying to buy them back at higher prices, and the bull movement which took place to-day serves to illustrate what may happen to the bears one of these days. We must not forget that it is usually darkest just before dawn, and while we believe that war is almost a certainty **we also believe that the time has arrived to purchase good securities in a conservative way on the breaks,** but one would be foolhardy to overload with stocks under present conditions. We have continually advised our customers to sell stocks on the bulges until the past few days when we advised their purchase. How nearly correct these advices have been the public can readily judge.

Better opportunities for making money in speculative deals were never offered than at present, but nerve, patience and conservatism are necessary.

Wheat.—There is nothing new to say regarding the wheat situation, and were it not for the manipulations of the bull clique we would be decided bears, and **do not believe that natural conditions warrant these high prices by any means.**

*Range of Prices Monday, March 28th.

	High	Low.		High.	Low.
Sugar	121	110⅜	St. Paul........................	94¼	88½
Tobacco..........................	98½	94¾	Rock Island..................	87¾	82½
Brooklyn Rapid Tran...	39⅞	36⅝	Northwest......................	121¾	115¾
M., K. & T. Pfd.........	35	32¼	Gen. Electric................	34	32
N. P. Pfd..........................	64⅜	59¾	Louisville & Nash.......	51½	46⅝
U. P. Pfd..	55	49¼	Manhattan.....................	102¼	94
Peoples' Gas	93⅞	89¼	Tenn. C. & I................	21	19
Burlington..................	95	89¼	Mo. Pacific..................	28⅛	24¾

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May..............................	105½	103½	July..............................	84⅛	82⅜

*The high prices were made near the close and show advances ranging from five to ten points in three days throughout the entire active list and even more in some specialties.

MONDAY, MARCH 27, 1898.

It is entirely unnecessary for us to call attention to our previous market letters or to the advice contained therein, as our readers are well familiar with the fact that nearly all of last week we encouraged the purchase of stocks on the breaks, but previous to that time we advised the sale of stocks

on the rallies ever since the disaster occurred to the Maine in Havana harbor. It is, we know, a very easy thing for anyone to say I told you so after a prediction has been fulfilled, but we do not need to say this for the simple reason that we have put ourselves on record from day to day and all who have read our market letters know that **our advices had been absolutely correct** not only in calling the decline but also in telling our customers when to turn and purchase stocks; and in addition to this we sent out special telegrams, the middle of last week, to all of our customers, telling them that the time had come to buy stocks, and especially recommended the purchase of Brooklyn Rapid Transit. It may be now that the market has had too sharp a bulge to stay at these high prices, especially Sugar, but on any sharp breaks we advise the purchase of good stocks for the time being—not that we believe the war situation is by any means settled, but the government needs delay in order to perfect its arrangements for war, and a little later on there will be plenty of opportunities to again put out short lines. At the present time, however, operations should be confined to the long side of the market.

TUESDAY, MARCH 29, 1898.

We have never for a moment doubted but that the present turn would take place in the market and that a great many people would be caught napping. As we have repeatedly said it is the unexpected that happens in Wall Street, and the news gossip you read has been kept back for the very purpose of fooling the public and is put out just at the time when it will have the desired effect. The man who can keep cool and do just exactly the opposite to what the mass of traders is likely to do is usually the one who makes profits. It may be that present prices are a little higher than the situation warrants, and on **any sharp rally would advise taking profits on stocks purchased around the low points last week** as we believe there will no doubt be **opportunities to purchase stocks at a little lower level than present prices within a few days.**

Wheat.—The snap appeared to be all out of the Wheat market this morning but we do not look for any serious break in the price of July Wheat just at present—possibly not until after the May deal has been completed as it is very likely that the bull clique will manipulate a squeeze of the short interest in July before long. We are, however, decidedly bearish on Wheat for a long pull, and predict that it will sell much lower. Speculative operations in this, we think, should be limited to scalping for the time being, **at** least, and **it is probably a purchase for a turn at present prices.**

WEDNESDAY, MARCH 30, 1898.

Keep off of the short side for the present because you are very likely to experience another stampede similar to that which happened Monday and to-day. However, we think it would be advisable, perhaps, to take profits on long stocks now and wait for a slight reaction on which to purchase. We do not believe that the prospect of war with Spain has diminished very greatly in spite of rumors to the contrary, and just as soon as more decisive action is taken by those in authority there is likely to be another fractional break in prices, but we do not believe that thay will go nearly as low as they did on the previous decline, for the simple reason that traders have now come to their senses and realize that **a war with Spain is not a bearish argument, but on the contrary a decidedly bullish one.** However, the publication of sensational news will surely be made when the manipulators get ready to have the stock market decline. The news gossip that is being circulated is mostly controlled by the inside operators, and is sure to be put out for the public to read at the time they want it to be most effective.

When they have taken profits on their long stocks they will then be ready for a decline on which to purchase, and small traders can do the same if they will use a little judgment and patience.

THURSDAY, MARCH 31, 1898.

It seems to be human nature to never want to buy a thing when it is cheap, and the speculator who can take advantage of a panic such as we had at the opening of the market last Saturday is a very rare commodity. In spite of our continual advices to purchase stocks when the break came—**which we predicted four or five days in advance last week even going so far as to name the prices at which stocks should be bought**—very few of our customers took advantage of the break when it came. We only mention this fact to illustrate why so many speculators lose instead of making money. Now that the market has had an advance of from ten to fifteen points from those prices the public are once more commencing to take hold, and as the advance progresses they will come in and purchase at higher prices until there will be an unwieldy long interest in stocks purchased on the bulges and the natural result will inevitably follow, viz., a sharp break in prices, accompanied by a general liquidation of small speculative accounts. **It is just as easy to avoid doing this if you would only use a little reason** and take advantage of extreme fluctuations, such as have occurred during the past ten days.

FRIDAY, APRIL 1, 1898.

As we stated yesterday the market has now turned into a bull market and the proper method of procedure is to operate on the long side principally. **Never sell stocks short on a bull market.** In spite of any war developments, which we believe are sure to take place within a very few days, we predict that all **good stocks will make positive advances during the next few weeks,** and advise conservative operations on the long side of the market at the present time. We believe there never was a better time for profitable operations in the stock market than exists at present, but it would be simply foolhardy to go into a market of this kind without liberal margins. We repeat again, as we have many times in these letters, that a war with Spain will add to the earning power of every manufactory, every railroad company and every corporation in the land, and that **the ultimate result will be a big advance in prices of all securities.**

SATURDAY, APRIL 2, 1898.

Now that war appears to be almost a certainty and as this event has been looked forward to, it may be said that the opening of hostilities has practically been discounted by speculators, and it is hardly to be expected that we will see any lower prices for stocks; but such weakness as was displayed this morning right after the opening should have been taken advantage of to purchase good securities. **This is what we advised our customers to do in our letter yesterday,** and we do not believe there is any question now but that **the low point has been seen in stocks and the market has turned for a permanent upward movement.** Those who do not take advantage of the present low range of values will regret their procrastination later on. Even a declaration of war now we do not think will result in any serious break in prices, and as this action, we believe, is practically assured early next week, the question for us to consider is not what effect such a declaration will have upon the market, but what will be the

future course of the market after the beginning of hostilities. Anyone with ordinary judgment must know that Spain will not have any show at all in war with this country. This fact is not only thoroughly understood at home but is also admitted by all European Powers, and there is no question that when we once decide to strike a blow the first one struck will be very effective and it is not at all impossible that **the first naval battle will decide the war for good and will drive Spain off the seas as a naval power.** The effect of such a result on the stock market can better be imagined than told.

*It is not at all improbable that if such news were to reach us during some night the stock market would open the next morning with prices ranging from five to fifteen points above the closing prices of the day before.

Wheat.—There was decided strength in the Wheat market this morning due to covering of shorts and the natural supposition that the Bull clique are commencing to show their hand in the July option. As we predicted yesterday this July Wheat is likely to advance above the dollar mark but at the same time it is somewhat dangerous to purchase at these high prices.

MONDAY, APRIL 4, 1898.

In spite of rumors to the contrary, our advices do not lead us to believe that the chance of war has been lessened by the developments of yesterday one iota, but, on the other hand, we are forty-eight hours nearer to the breaking out of hostilities than we were at this time Saturday. A declaration of war will, of course, mean a sharp break in prices of securities, but this break will be only temporary, and **if you are ever going to get into the market to advantage now is the time to place your order with your broker** so as to be able to purchase should the break occur. While we think perhaps there will be a sharp decline in a few days, there is, however, no assurance that it will occur, for the simple reason that stocks are now held by strong interests and it is evident that the effect of a declaration of war has already been practically discounted; but, as we have often said before, **"It is always the unexpected that happens in Wall Street."** and a very weak opening one of these mornings would not surprise us in the least, and should same occur, would then advise the purchase of stocks in a conservative way. **We repeat again this is a bull market and a proper thing for customers to do is to buy stocks on the breaks.**

TUESDAY, APRIL 5, 1898.

That the equivalent of a declaration of war will take place we have not the slightest doubt, and have not doubted this ultimate result since the cowardly destruction of the "Maine" in Havana harbor. Of course such action by the Government will be almost sure to affect the stock market unfavorably at first, and **when this occurs will be your time to buy securities.** We have not the least doubt as to the ultimate course of the stock market and believe that when war is once declared and a positive stand taken by our Government the war will be short lived. The Spanish Government has had forced upon it the fact that she is defying the sentiment of all civilized nations and plunging into a hopeless conflict which is sure to end in her bankruptcy, the loss of her colonies and her standing as a nation. It is the uncertainty in the situation which makes the speculator

*Although written and published a month previous how nearly prophetic of Dewey's victory and its effect upon the stock market May 2d.

timid and which paralyzes the delicate machinery of commerce at the present time. **Anything is better than uncertainty,** and the minute that Congress takes action and we show to the world that the time for trifling is past, every citizen will have more confidence in our Government; and as the ultimate result of such a declaration cannot be doubted even for a moment, we are all sure to receive lasting benefits from the improved conditions which will result from the final settlement for good and all of the Cuban question. The greatest trouble, we believe, is the fact that we have been entirely too lenient with this piratical nation in the past, and just as soon as she once finds out that the American people are in earnest in their demands it will not take her long to back down completely and accept the inevitable just as she has done in a score of cases during the present century. Her so-called "Spanish Pride" has been compelled to grovel in the dust at the feet of Mexico, Louisiana, several of her colonies on the Isthmus of Darien and a dozen of her South American Colonies. We only mention these facts to illustrate our belief that the whole question will be settled much sooner after we once take a firm stand than is usually supposed.

No one, we believe, doubts for a moment that with the Spanish and Cuban difficulties removed from the field, prices of all securities would show extremely large gains in a very short time, and we think it may be safely said that at the present time a declaration of war by the United States has almost entirely been discounted by speculators, but nevertheless, in spite of all this, it will have its temporary effect, and when this comes **it will be your opportunity to purchase good stocks at bargain counter prices.**

WEDNESDAY, APRIL 6, 1898.

The stock market has been very dull to-day until near the close, when sharp advances indicative of a large outstanding short interest took place. It would seem that both the professional trader and outside speculator prefer to be out of the market until we are assured of the policy of the Government in dealing with the Spanish question. It seems to be generally admitted that a declaration of war is unavoidable, and as speculators have realized this fact for a week or more they have had plenty of time in which to shape their speculative interest, and **it looks very much as though even the worst has been fully discounted,**

It seems, however, that the breaking out of hostilities ought to be followed by a sharp decline in stocks, not because such an event will depreciate the value of our securities in the least, but from the fact that speculators fear a tightening of the money market and a liquidation of foreign holdings. This view would seem to be erroneous from the fact that the balance of trade continues largely in our favor as evinced by the arrival to-day of over \$5,000,000 in gold by one steamship. This gold movement has been continuous since the 25th of February, and has averaged over \$1,000,000 per day. In addition to this, appearances indicate that the movement is increasing rather than diminishing. Our national treasury has never been in such splendid condition to meet an emergency since the surplus days of 1885-86 From the above facts we do not believe that there is reasonable ground to anticipate any serious advance in discount rates, and in case of a bond issue most of the securities will be taken up and paid for with funds which at the present time are not in use, and the natural result will be that this money will be put into circulation whereas it is now out of circulation entirely.

In addition to the above facts, railroad earnings have shown surprising increases, especially in Grangers and Pacifics, but this fact appears to have been entirely lost upon the speculative mind. So busy have they been in watching the war developments that actual facts relating to the value of securities have practically lost their effect. **If you are desirous of purchasing good stocks to advantage we believe the time has come to act.**

and would especially recommend their purchase on any little declines that take place. While we think a reaction perhaps due, we do not have any idea that such reaction will be permanent or that the decline will be very extensive, and **advise the placing of orders at once to take advantage of any such action of the market which may take place.**

THURSDAY, APRIL 7, 1898.

When the publication of decidedly warlike news has no effect whatever upon the market, it is sufficient evidence, we think, that the very worst has been discounted, and if further proof were needed to assure this fact we have almost daily examples of it in the sharp advances which immediately follow the publication of news indicating a further delay of a war proclamation. It looks very much as though all outside speculators are now waiting for a sharp break in the market which they fully expect will follow any action taken by this Government. We were inclined to this opinion ourselves a few days ago, but from the present action of the market and the private advices which we are in receipt of, it looks as though any decline which may take place will be decidedly small, and the chances are that the average speculator will wait too long to make purchases. If you expect to get in at the extreme low prices for securities you will be pretty sure not to get in at all, as the low point we believe was seen about ten days ago. We called the turn at that time—as you must know if you have been reading our letters—and not only did so in a general way but also indicated the exact prices at which stocks should be bought two or three days in advance. Since that time the market has been gradually hardening and stocks have become lodged in stronger hands. The very fact that almost every speculator is looking for another break now should be sufficient evidence that such a break as is generally expected will not be likely to occur. We have all along advised conservative operations and have warned our clients to only trade in such quantities as they could margin, at least ten points, and preferably twenty; not that it would be good policy to have the market go against you that much, but for the simple reason, that if you only trade in small quantities compared to your margin you will not get rattled and close out your trades at the wrong time, but, on the other hand, should the market go against you a little and you are confident of your position you can double up and in this way average out.

We have continually warned customers against getting short of stocks, and believe that **purchases should be made on every little decline that takes place, because this is a bull market and cannot be looked upon from any other standpoint.**

FRIDAY, APRIL 8, 1898.

Although there will, no doubt, be a decided stand taken by the Government within a few days there seems to be little alarm felt by the holders of securities, and a great many speculators are waiting to purchase stocks when the break, which they expect to occur, takes place. It is more than possible that the sharp break which they are confidently looking for will not occur, and in this case they will likely be left out when the upward movement starts in and will want to buy at higher prices. **Ever since the destruction of the "Maine" we have held that a war was inevitable. Should such an event take place the action of the stock market can better be imagined than told, and it is safe to say that every stock on the list will make tremendous advances within a very short time,** because our financial and commercial conditions were never so favorable as at present, and the high prices of last September will be left away in the rear when this Spanish business is once settled in one way or the other.

*Wheat.—We are still inclined to believe that they are going to manipulate the July option the same as they have done with the May. We therefore look for higher prices but advise conservative operations and taking of small losses because **the price is too high under natural conditions.**

*July Wheat in Chicago sold at 83⅝ on this date and proved to be the turning point, soon after advancing to $1.25.

†Range of Prices Saturday, April 9th.

	High.	Low.		High.	Low.
Sugar	119½	118	St. Paul	90⅜	89⅛
Tobacco	102½	101¼	Rock Island	86¼	85½
Brooklyn Rapid Tran	39⅜	38½	Northwest	119	118½
M., K. & T. Pfd	33	32¾	Gen. Electric	33	32¾
N. P. Pfd	62½	61¾	Louisville & Nash	50¾	49⅞
U. P. Pfd	53⅜	52½	Manhattan	98	97¼
Peoples' Gas	92¼	91¼	Tenn. C. & I	20	20
Burlington	94	92¾	Mo. Pacific	27	26⅜

†Please read carefully the letter of this date, and note how accurately all predictions made therein were fulfilled during the fortnight following. See table of prices for April 21. The high prices of April 9th were again made on Monday following, accompanied by a fairly large volume of transactions. These top figures had been made several times since March 28th, and it was a sure play to take profits now and wait for another break to buy.

SATURDAY, APRIL 9, 1898.

The war cloud appears to be darkening and every indication points towards an early outbreak of hostilities. The final climax has been postponed so often, however, during the past few weeks that people are predicting a further delay, but we do not believe there is much reason to expect this to occur because it has now come to a point where Congress will not submit to anything but definite action, and, with all Americans out of Havana, it is difficult to imagine another excuse that could be used to postpone the message. One thing is certain, and that is, no matter what the President's Message contains it will place the whole matter in the hands of Congress for action, and there can be no doubt as to the kind of action that will be taken by both the House and the Senate. It may be possible that the chicken-hearted members may be able to parley a few days by arguing the question and resorting to parliamentary tactics to postpone a declaration of war, but as both bodies are almost unanimously in favor of taking a positive and warlike stand, we hardly look for any serious delay but expect that action will be taken not later than Tuesday, and possibly Monday.

Although the effect of the war news on the market has been very small recently, it may be due to the fact that speculators have been fooled so often by postponements and fake stories regarding peace plans that they have at last come to look upon a decided stand by the Government as practically out of the question, and possibly when they once realize that "grim war is **on" there will be a large amount of stoeks unloaded upon the market, in**

which case there may be a break ranging from three to five points; but the market could even stand such a decline and prices would still be above **the low points touched March 12th and 26th last. When those low figures are again seen**—in case they should be—**you can safely buy stocks and need have no fear as to ultimate results.** We, however, hardly look for prices to go quite as low as they did then, but such a thing is possible, and in case they do, the following stocks we feel sure can be bought safely anywhere around the prices named:

St. Paul	**86**	**Sugar**	**110 to 112**
B. Q.	**87**	**Rock Island**	**81**
Gen Electric	**30**	**Mo. Pacific**	**23**
Union Pacific Pfd	**50**	**Brooklyn Rapid Trans.**	**36**

We merely name prices on above stocks to indicate the point to which we think there is a possibility of a decline, because **what has happened in the past is likely to happen again**; and in case such a decline does take place, **it will be your cue to buy stocks and to buy all you can margin liberally. The market will, we believe, almost immediately after the breaking out of hostilities become decidedly bullish and develop into an old-time bull market and prices will gradually work to the highest point seen in years for good securities.**

SATURDAY, APRIL 16, 1898.

Every day brings us that much nearer to the breaking out of hostilities, but, in spite of this, the stock market stands up like a rock, and every little decline which is forced develops into a bull movement before expected by the outside speculator. A great many people are looking for a break in stocks as soon as Congressional action is completed, but we believe they will again be fooled, and if any decline takes place, the market will soon recover any loss which occurs. Everybody now admits that a war with Spain is sure to result from present complications, so that we can safely say the result of such an event has been fully discounted in market values. The only possible thing which might cause a further reaction we believe now to be a tight money market, but such preparations have been made for preventing this by the importation of a tremendous amount of gold in the past two months, that we do not now look for any substantial advance in the discount rate, and **even the floating of a new issue of bonds by the Government will not take sufficient money out of circulation to affect the money market to any material degree, and the money that is received from the sale of its bonds will immediately be put back into circulation.** In addition to

NOTE.—From April 9th to the 16th the markets remained very dull and fluctuations covered a small range. My letters published during that period were of a similar strain as that of the 9th. I continued to urge the purchase of stocks on the breaking out of hostilities, and predicted day after day that this action would result in a drive at prices which would immediately be followed by a sharp advance that would culminate in a genuine bull market. The following letter was was published on Sunday, April 17th, in the *New York Herald*, *New York Times*, *New York Press* and *New York Sun*, and speaks for itself:

this the large surplus in the treasury will also be used and will find its way into the hands of the people where it belongs. There are no reasonable grounds for anticipating a tight money market, nor are there any substantial reasons to fear a war with Spain from a commercial standpoint. A war with such a nation means improved conditions in all lines of commerce and renewed activity in every commercial enterprise. Every factory in the land will be run to its fullest capacity to supply the new demands that will be made upon us for American products. It means the opening of new industries and the employment of idle labor, and new life will be breathed into every American industry. There can be no doubt, we think, as to the effect of such an event upon our industries, and in such a case it looks like folly to sacrifice securities, and **the man who seeks investment and does not take advantage of present conditions is just as bad as he who lets go his holdings on this market.** There are no reasons in the world to fear results from the coming war, which we feel confident will be of short duration and result in a final settlement of the Cuban situation and will drive the barbarous Spaniards from the American continent for good and all. **It is very likely that the first of the coming week will see the low point for stocks on this turn,** and **we cannot advise their purchase in a conservative way too strongly.** There is only one side to this market on which it is safe to operate, and those who do not take advantage of present low values to purchase will have reason to regret their inaction later on.

Wheat.—The wheat market was fully as erratic to-day again as recently, and **while we look for the July option to be advanced in price, we** consider it unsafe to operate in, for the reason that fluctuations are fully governed by the Leiter crowd. We do not look for the coming war to aid materially in advancing prices of Wheat, since it will not be of long duration and **natural statistics and conditions do not warrant prices in holding around their present high level.**

*Range of Prices Thursday, April 21, 1898.

	High.	Low.		High.	Low.
Sugar	115⅝	113¾	St. Paul	85⅝	83¼
Tobacco	101¾	97	Rock Island	83⅜	82
Brooklyn Rapid Tran	36¼	35¼	Northwest	116½	115
M., K. & T. Pfd	30¾	30	Gen. Electric	31	30⅜
N. P. Pfd	59½	57½	Louisville & Nash	46¼	44
U. P. Pfd	50¾	48⅞	Manhattan	93¼	91⅞
Peoples' Gas	89	88⅛	Tenn. C. & I.	19	18⅜
Burlington	90⅜	88	Mo. Pacific	25¾	25

Total volumes 304,000 shares.

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	112	110½	July	89⅛	87⅛

*This was the third extreme downward movement on a large volume of transactions and was closely related to those of March

12th and March 26th hereinbefore mentioned, but in this instance prices failed to go quite so low as they did on March 26th which indicated that the bear movement had spent its force and you could safely put up your last cent here.

A third extreme movement is not always sure to occur, while a second extreme movement almost invariably does. But when a third movement does take place and does not go quite as far as the second movement did in either an upward or downward direction, as the case may be, **it is almost invariably a sure guide that this will be the last extreme point made and you can therefore operate** under such circumstances with confidence.

It was apparent to me in this case as far back as April 9th that this third extreme movement would occur as you will readily see by reading market letter of that date in which I even went so far as to again predict the prices at which certain stocks would sell. Compare these figures with table of prices for April 21st, and you will see that nearly every stock mentioned touched the figures named within a fraction, and as we do not operate for fractional profits under this plan, it is only necessary to be able to judge within a point or two of the high or low prices that certain stocks will make. **Read my letter of April 21st and 22d.**

THURSDAY, APRIL 21, 1898.

We are at last on the verge of war and what is its effect upon the stock market? Of course, the market has been very heavy all day, with a declining tendency, but there have been no serious breaks—at least none such as a great many have predicted, which again proves that stocks are held by strong interests and will not be sacrificed on the breaking out of hostilities. Declines are necessary to any healthful market, and considering the exceedingly warlike developments of the day it is surprising that the market held its own as it did. We feel that the time has at last come to buy stocks, and although there may be further declines it is not at all probable we will see any serions breaks—at least none such as a great many people are looking for.

No one can tell within a point or two of the high or low price that a stock is liable to reach at any time, but if your position is correct and you follow out the lines you have laid down, it is easy enough to make money in speculative operations, and we feel that **a better time never existed than the present for purchasing good stocks to advantage.** Even with all of the war excitement stocks have not yet touched the low points of March 12th and March 26th last, and it does not look to us as though they are going to do so. Now that war is practically a fact, the expectancy has been removed from the situation, and it will soon become an every day matter with us, and the final result cannot for a moment be doubted by anyone.

FRIDAY, APRIL 22, 1898.

Now that war has become a matter of fact traders are once more settling down to business and coming to their senses. We never felt that there was reason to fear any serious decline on the breaking out of hostilities, but at the same time advised conservative operations until after this event occurred. The decline in prices which took place yesterday was nothing compared to what traders were generally expecting to see, and the market recovered its loss to-day just as we predicted would be the case. Now, that the worst is known there is nothing that can happen to seriously interfere with values of securities any more than has already taken place, and those who did not take advantage of the decline yesterday will now probably have to purchase stocks at much higher prices. In a few days there will cease to be any excitement regarding the war situation, and the news relating thereto will be looked upon as an every day occurrence. While the favorable news will tend to enhance values, there is, we believe, very little reason to be alarmed by any developments which may take place, and **we are in much better condition** now that the uncertainty is removed from the situation, **for the coming of a big bull movement in market prices than has been the case at any time since the Cuban question has been before the public.** We know now that this whole business is going to be settled, and we know how it is going to be settled. If there were room for a shadow of a doubt as to which side would win in the coming struggle it would be quite a different matter, but there is none, and it is merely a matter now of dollars and cents and a little time. We have never doubted for a moment since the destruction of the "Maine" that the final result would be a conflict at arms, and we advised the sale of stocks at that time until the low point was reached, when we immediately turned and advised the purchase of stocks. We only mention these facts as being confirmatory that our market letters are reliable, and that **the information we receive is fully as good as can be had from any other source.**

We now say that a **big bull movement is near at hand in the market** but at the same time there may be some reaction accompanied by a little dullness for a time, but if we are to wait with the expectation of making purchases just at the time when the market starts on its upward course we will be pretty apt to get left. Nerve and patience are just as necessary to the successful speculator as to be able to select the right stocks and the proper time to buy or sell.

SATURDAY, APRIL 23, 1898.

The stock market showed considerable strength to-day just before the close, and it becomes more evident daily that those who were looking for a big break in prices in the event of war "got fooled," just as we predicted would be the case. The little break which occurred Thursday was nothing compared to what was expected, and consequently they failed to take advantage of the low prices that day, which, by the way, were not so low, except in exceptional cases, as those which were seen March 12th and March 26th last. It must now be apparent to the best posted operators that **the stock market has turned for the better and its natural course will be henceforth in an upward direction,** accompanied by a large increase in speculative operations. Great relief is being felt in speculative circles from the removal of the unsettled conditions which have confronted us for two months past. Now that war has been declared, and from the active operations which has already taken place we are assured that it will be prosecuted with vigor, and the result is sure to be a short struggle with victory on our side and the final settlement of the Cuban question for all time. This Cuban business has been held over the market for two years now, and like a wet blanket, has smothered every bull movement which started from the improved conditions of our financial and commercial situation. Of course war is a disturbing feature, but were we at war with a power some-

where near our equal it would be quite a different matter. There is plenty of evidehce that securities are held by strong interests, and they will not be sacrificed at present low prices. It is, therefore, certain that the market is going to advance just as soon as speculative operations become a little more extensive, and **we especially advise the purchase of Union Pacific preferred and common, and any of the Grangers, Brooklyn Rapid Transit and Metropolitan Traction on any small break which may occur.**

MONDAY, APRIL 25, 1898.

It is only natural to look for a somewhat dull stock market during the first few days of active hostilities, but we have every reason to believe that after this excitement attending the first war news has worn away **there will be renewed activity in the stock market, accompanied by a good advance in prices.** There is no apparent tendency to curtail loans or to advance discount rates any more than has been the case for several weeks past and considering the splendid financial condition of our institutions, the large amount of available cash in the national treasury and the large balance of trade in our favor from foreign countries, we think there is very little danger of a tight money market. Of course the military operations that will be carried on are sure to require a large expenditure of money, but at the same time it must not be forgotten that this money does not go out of the country but is immediately turned into other channels, the result of which will be the employment of large numbers of men in new industries, and new places will also be created by the vacancies made by those who go to the front to carry arms. Consequently the money that is paid out by the Government will be distributed throughout other channels, and the public will feel the benefit from it very soon. **War may be looked upon as a distributor of wealth more than as a destructive agent.** History tells us that the largest wars of the world have been followed by a large improvement in financial and commercial conditions in every case by the victorious nation and in most every case by the defeated nation; and we know further that speculative operations are usually more active at such times than during times of peace. We believe there is no reason to fear any further serious declines in the value of securities, and considering the depreciation which has already taken place, **we feel decidedly bullish on the situation and cannot advise the purchase of good securities on the breaks too strongly.** As we have said before a little patience and nerve are necessary to make profitable trades.

*THURSDAY, APRIL 28, 1898.

There was considerable more activity in the speculative market to-day, resulting in higher prices for all securities, ranging from one to two points over the close of yesterday. The excellent work done by our Navy at Mantanzas yesterday had a reassuring effect, and while the victory was not of much importance in itself, it furnishes proof that the Spanish gunners are no match for the Americans, and is considered as a reliable forecast of an early termination of hostilities. It is also generally believed that the **Asiatic squadron under Com. Dewey will be able to vanquish the Spanish fleet in those waters,** and by the aid of the insurgent forces the Philippines will soon be under the American flag. It is generally conceded

*The markets remained very dull from April 21st until April 29th with prices ranging two to five points above the low figure of April 21st, and my letters during that time were on the same lines of those published on April 22d, 23d and 25th, continually advising the purchase of stocks and holding them for the big bull movement which was certain to come.

that **such a victory will be followed by an advance in prices of stocks, ranging from five to ten points,** and as there seems to be very little ground for looking for any other result **it certainly seems that the present is a good time to purchase securities so as to benefit by the coming rise.**

Wheat.—Owing to a sharp advance over night in the Liverpool market Wheat opened excited and higher, but on realizing sales lost most of the advance. It is evident that foreign countries are becoming somewhat uneasy regarding their ability to secure sufficient supplies to carry them over. The nearby options show every indication of making further advances, but a great deal as to future prices will depend upon a continuation of the war.

FRIDAY, APRIL 29, 1898.

At last the Rip Van Winkles of the stock market have awakened from their long sleep and the result is a sharp advance in prices ranging from one to four points for the day. We have been trying to get you to buy these stocks on the breaks for some time, but we wonder how many have taken advantage of our advice. **We have never had any doubt as to the ultimate course of the market although we felt that war was a certainty two months ago, and our customers must at least give us credit for having given them the right kind of advice at all times.**

The developments of each day now furnish additional proof that the war is going to be prosecuted with vigor by our Government, and this assures a quick termination of the same. It is altogether probable that we will be in possession of Cuba and the Philippine Islands inside of thirty days, and it is claimed by people in a position to know, that the latter possession can be sold for enough to pay all expenses incurred in carrying on the war. It is almost a certainty that our fleet in those waters will meet with a decisive victory either to-day or to-morrow, and to this belief is probably due the strong tone of the market to-day; but the advance which is now under way is nothing compared to what is sure to follow, and those who intended to purchase stocks but have been waiting for lower prices we believe had better watch for fractional declines now and purchase stocks even though they may have to pay more for them. Although the market to-day made big advances, it should be noted that it was a steady one and prices gradually crept upward without any apparent excitement, showing that it was caused by legitimate strength due to purchases emanating from moneyed sources. **Prices of stocks are still very low, and with all of the favorable conditions that exist, we feel sure it is not yet too late to make profitable investments to advantage.**

SATURDAY, APRIL 30, 1898.

The stock market was very buoyant and decidedly active for a short day. Most everything on the list made good advances, with Sugar in the lead. The action of the market to-day was no surprise to us as every indication has pointed to just such a movement taking place, and those who have followed our advice are now on the right side of the market. There is not a particle of reason for the decline which took place in the early part of this week, and it was very evident to us that the break which occurred then would be followed shortly by an active, advancing market. While the present advance has been quite extensive we do not think it is nearly over, but on the other hand feel that the bull movement is just getting under way, and we can look for a large increase in speculative buying orders which

will soon result in a much further advance in prices. **There is no reason why any large amount of money should be lost in speculating if ordinary judgment is used in placing orders.** and there is plenty of time yet to get into the market to good advantage, although you will have to pay higher prices than was the case a few days ago. **We look for news of a decisive victory by our forces in the far East between this and Monday,** but will not be surprised should there be rumors of disaster, because such rumors are likely to reach us first as the Spaniards control the telegraph wires from the Philippine Islands and until they are in our possession no matter how decisive a victory we may win they will continue to send out reports of the engagements colored largely to suit their own desires; so that no matter what unfavorable news may be published between this and Monday would advise speculators to pay very little attention to it as **it is a foregone conclusion that Com. Dewey and his fighting ships will succeed in vanquishing the Spanish fleet in those waters.** We look for a decidedly higher market Monday but at the same time it would not be surprising if a small reaction would take place before long. However, do not advise selling out long stocks but advise taking advantage of any reaction which occurs to buy more. **We believe the present time offers opportunities for profitable investments that will not be experienced again for years.**

MONDAY, MAY 2, 1898.

The advance in prices to-day was fully warranted by the glorious victory we have won in the far East, and while there are sure to be sharp reactions the general trend of the market is also sure to be in an upward direction, and **the long side is the only one to operate on with safety.**

Just such a result as this has been predicted by us during the past week, and we also said that it would be immediately followed by a big advance in prices of stocks. Those who did not take advantage of the low prices of last week have only themselves to blame because we have done everything in our power to get our customers in the market right at all times. **How well founded on facts our advices have been in the past can easily be seen by a careful reference to our previous market letters.** It is easy enough to speculate profitably if ordinary judgment is used in making trades; but **because you may have lost opportunities to make money in the past is no reason why you cannot do so now** since there are just as good opportunities for profitable turns at the present time as ever.

TUESDAY, MAY 3, 1898.

So far practically all of the news we have received from the Philippines has emanated or come through Spanish sources, and while even their admissions are glorious for us, what may we expect will be the report that will be received from our own forces as soon as the cable is repaired so that Com. Dewey can communicate directly with us? The result will no doubt be a much further advance in prices of good securities. Although the stock market has had a very positive advance recently, prices are still low, both compared to former ones and also considering the improved conditions that exist in commercial lines and which are daily more apparent in the large increase in earnings of railroads and industrial stocks. Those who did not take advantage of the recent severe decline to purchase stocks should not delay longer, because even present prices will look extraordinarily low before long. Here are a few examples of prices touched in September, 1897: **Rock Island, 97; L. & N., 63; Sugar, 158; Mo. Pacific, 40; Tenn. Coal & Iron, 35; Peoples' Gas, 108; St. Paul, 102; Burlington, 102.** Since

that time all of these properties have shown increases in earnings and several of them have increased their dividend rates. **In fact every condition which points towards the enhancement of values of securities may be said to have largely improved since that time.** Our commercial relations with foreign countries have also shown decided improvements in our favor, resulting in gold imports amounting to over $50,000,000. When we stop to consider all of these features is it more than reasonable, may we ask, to expect every one of the securities above mentioned to sell at higher prices than was the case eight months ago? Yet there are people speculating, or trying to speculate, who cannot see further than their own nose, and they will tell you now that the market has advanced too fast and that they are waiting for a break to buy stocks. Reactions are always to be expected in any healthy market, but the reactions which are likely to come in the near future will probably not be nearly so extensive as the majority will wish, and consequently they will not get into the market at all but will sit around and see fortunes accumulate in the hands of wiser men.

Because you did not succeed in purchasing at the extreme low point do not be discouraged now since the cream is still left, and when the market gets a little higher **the advance will be more rapid than has been the case during the past few days.** Every prediction we have made regarding the market in the past has been fulfilled. It is our aim to furnish our customers with reliable advices at all times, and we feel so confident as to the present situation that we do not hesitate in giving the above advice.

WEDNESDAY, MAY 4TH, HOLIDAY.

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*Range of Prices Thursday, May 5, 1898.

	High	Low.		High.	Low.
Sugar	133	128½	St. Paul	93⅛	91
Tobacco	110⅛	107¼	Rock Island	93⅛	90¼
Brooklyn Rapid Tran.	40¼	39	Northwest	124⅛	122
M., K. & T. Pfd	34½	34	Gen. Electric	34¾	34
N. P. Pfd	66⅜	65	Louisville & Nash	52½	51½
U. P. Pfd	56⅞	55¼	Manhattan	102¾	98½
Peoples' Gas	95	93⅜	Tenn. C. & I.	22¾	21⅞
Burlington	99⅜	96⅜	Mo. Pacific	31	28⅝

CHICAGO WHEAT, MAY 6, 1898.

	High.	Low.		High.	Low.
May	150	140	July	102½	100

*The low points were made at the opening and market closed at the very top so that even by following my advice of May 3d

profits made on the 5th ranged from one to four points no the active stocks. But even this profit was nothing to what was made by holding stocks purchased and buying more as the market advanced according to Rule 10, as was done by several customers of the firm.

The very fact that each advance went beyond the last previous one, and each decline stopped above the former one was sufficient proof that this was a bull market, and that one should **Buy—Buy—Buy all the way up.**

THURSDAY, MAY 5, 1898.

Is it surprising that the stock market has been advancing for several days and that prices have now advanced from 5 to 15 points all along the line? Just such a result as this was sure to follow the first decisive victory of the war, and we certainly did our part towards getting our customers to buy stocks around the low points; but at the same time there are many who failed to take advantage of the market at the proper time so as to secure the full benefit of the rise that was sure to follow, and to those the question now is what will be the action of the market in the future? We think there can be no doubt as to this, and while there are sure to be reactions, and sharp ones at that, there is only one side to the market on which to operate, and that is to buy stocks; and in buying stocks you must select the best only, so as to secure as much benefit as possible from the rise which is yet to follow. Just at present we recommend the purchase of **Rock Island, St Paul, Burlington, Un. Pacific, Northern Pacific, People s' Gas and Brooklyn Rapid Transit. Because you failed to get in at the low prices, do not be discouraged but take advantage of the present opportunities.** The advance which is now taking place is only the beginning of what is to come later on.

Wheat. There was a decided advance in the foreign markets for all grains and the result has been a sharp advance in our markets to-day. We believe there is every reason to look for still higher prices for the near options on account of holdings being in such strong hands, but favor the short side on later options.

FRIDAY, MAY 6, 1898.

Rock Island has been a feature of to-day's trading in the Granger list, and we believe it will be advanced to above par; also look to see St Paul commence to move in the same direction very shortly. In fact all that is necessary in order to make money is to shut one's eyes and buy stocks—no matter what you buy—just so you have sufficient margins to protect yourself against a temporary decline which is likely to occur at any moment. Reactions are necessary to any healthy market, and the larger the advance the more sharp will likely be the reactions. We do not pretend to predict temporary fluctuations of the market, as no one can do so accurately, but by putting all facts together that have a bearing on the value of securities we are able to arrive at certain conclusions which serve as a guide to our customers in handling speculative accounts. **How nearly our predictions in the past have come true is now a well known fact to all who have read our market letters for any length of time.** Our financial and commercial conditions were never at as high a tide as at the present time, and

as we have said before, war is not always a destructor of values but may be looked upon more as a distributor of wealth, and instead of creating a tight money market the result is sure to be the opposite, after its first effect has passed away. **We are now entering upon an era of prosperity such as this country has never before seen and such as no other country has ever experienced.** Do not let us, however, get carried away by our belief and buy stocks on narrow margins, because a sharp reaction may take place at any moment and anything that is done in the way of purchasing stocks should be done in a conservative way with ample margins to protect one's holdings so as not to get frightened out at the wrong time.

SATURDAY, MAY 7, 1898.

During the past few days we have urged our customers to buy stocks, and especially recommended the purchase of **Rock Island** the **Pacifics and the Grangers,** and although the advance has been quite rapid during this time there are still plenty of opportunities to make money if ordinary judgment is used. While we are decidedly bullish on the stock market we desire to warn our customers against being over-confident and advise them not to take on more than they can carry without danger to themselves, as reactions must be expected at any moment. How extensive these reactions will be depends entirely upon the class of speculators who are now buying stocks, but **what has happened in the past is sure to happen again and is our best guide for the future.** We believe the best advice we can give our customers at the present time is to **buy, buy, buy; but be careful and do not buy more than you will be able to carry through a two or three point reaction or even a five point decline.**

MONDAY, MAY 9, 1898.

During all this war discussion speculators have generally lost sight of the improved conditions in financial and commercial circles. The American people stand at the present time in an especially enviable position. Not only have we been favored by bounteous crops, but other countries have suffered in proportion in the way of inferior crops, so that foreigners have been obliged to import larger quantities of breadstuffs from this country than ever before, while the prices they have had to pay have also been much higher. This has resulted in a large balance of trade in our favor, as evidenced by imports of gold since February 25th of over $75,000,000. Such a movement of the yellow metal to this country at a corresponding time of year was never before known. **Do not these improved conditions certainly warrant corresponding improvements in the balance of our securities.** There is still a plethora of idle money in the banks which is seeking investment at higher rates of interest than can be secured on loans, and the large increase in earnings which all of our industrial and railroad stocks have been showing for the past six months must surely result in much higher prices than those ruling at present.

Ordinarily an advancing market meets with sharp reactions, and this market may be no exception to the rule, but so far the market has gradually worked to a higher level with scarcely any decline. However, the speculator should be prepared for fractional declines at all times, but do not get scared out in case they come, because **the market has only commenced to feel the effect of the improved conditions, and we feel confident quotations will work to a much higher level.**

Range of Prices Tuesday, May 10, 1898.

	High.	Low.		High.	Low.
Sugar	132½	130¾	St. Paul	95⅞	95
Tobacco	114⅝	110⅜	Rock Island	98⅛	96¼
Brooklyn Rapid Tran	41	40¼	Northwest	124½	123½
M., K. & T. Pfd	36½	35½	Gen. Electric	36⅜	35⅝
N. P. Pfd	X.d66	X.d65	Louisville & Nash	54⅝	53⅝
U. P. Pfd	59⅛	58⅛	Manhattan	103	101¾
Peoples' Gas	98⅛	97¼	Tenn. C. & I	26½	24⅞
Burlington	99⅞	98¾	Mo. Pacific	33¾	32⅞

CHICAGO WHEAT.

	High.	Low.		High.	Low.
May	185	173	July	125	106

TUESDAY, MAY 10, 1898.

Considering that almost every active stock on the list has advanced from ten to twenty points during the past two weeks, it would naturally seem to a careful observer, that after such an extensive advance there ought to be some sharp reactions, but so far we have had no setbacks to speak of. Rock Island reacted barely a point from the top soon after the opening, but immediately recovered its loss, and other stocks followed suit. **The ease with which the market advances each time after a small decline shows only too well that stocks are lodged in strong hands,** and the fact that **each advance goes a little higher than the previous one indicates much higher prices.*** The market acts for all the world just like it did during the big bull movement of last September, and considering that conditions which have a powerful influence in making values are decidedly more favorable at the present than was the case then, we do not think there is any doubt as to the kind of market we may expect to see a little later on. **This is a bull market, such as we see but once in a decade, and all that is necessary to do is to use a little judgment in buying stocks.**

For several days past we have been advising the purchase of Tennessee Coal & Iron, Rock Island, Northern Pacific and other stocks which have shown decided improvement in prices. In case you followed our advice and bought them, do not sell them yet. **Although the market may have fractional declines, prices are going a great deal higher. Peoples' Gas is another favorite of ours and will probably be advanced away above par in a short time.**

WEDNESDAY, MAY 11, 1898.

There has been practically no change in the situation and it seems almost superfluous to present the same argument that we have been placing

*See charts.

before our customers during the past few weeks. A great many traders have been waiting for a reaction on which to purchase stocks and of course are still waiting and will probably be found waiting when the market has advanced from ten to twenty points higher. We do not believe that the bull movement is anywhere nearly over yet, and still look for much higher prices. We do not expect to see any sharp reactions for some time to come, but just the same, advise all speculators to be prepared for a break of two or three points at any time; Because you would not listen to reason and buy stocks when they were around the low point **is no reason why you should not get into the market even now, since prices are sure to go a great deal higher.** This is the present status of the case in a nut shell; with our banks full of idle money, our large surplus of corn, cotton, provisions and beef products, to say nothing of the exportable balance of wheat that is still in our hands, and the high prices that all of these products are bringing at the present time in foreign countries, we are in an especially enviable position among the nations of the earth. Even now our National Treasury is loaded with gold, to say nothing of the import movement which is still keeping up a rate of over $1,000,000 per day. When we stop to consider all of the above facts, is it any wonder that prices of securities should advance? **We predict the biggest bull movement in stocks during the next few weeks that has taken place for twenty-five years past,** and apparently all you have to do is to shut your eyes and buy.

THURSDAY, MAY 12, 1898.

The present market bears all of the ear-marks of the big bull movement of last September, and by referring back you will recall that the entire stock market advanced from 20 to 50 points with scarcely any reaction, and those which did occur were very small, similar to that of this morning. A great many people waited then to buy on the breaks and of course did not benefit by the rise in values. This is just the situation at the present time: A great many people are waiting for a big break which they argue is due now on account of the sensational advance which has taken place. The prospects are good that they will be found waiting after prices have gone 10 to 20 points higher than they are at the present time. Then when the market starts to break they will commence to buy and will get loaded up at the wrong time. **If you want to make money in the stock market buy while the bull movement is on. Don't wait until it culminates and then get in.**

SATURDAY, MAY 14, 1898.

That the market will go a great deal higher we have no doubt but at the same time desire to warn customers against being too over-confident, and believe that conservative operations should be adhered to. Even though it is almost absolutely certain that prices will go a great deal higher there is always a possibility of sharp reactions, especially in the face of a general 10 point advance such as we have experienced during the past few days. Because we say that a sharp reaction is likely to occur is no reason why you should sell your long stocks or go short of the market, since it is very evident that the near future will show a much higher range of values, and advances ranging from 10 to 20 points above present prices would not be at all out of the way under existing conditions. That the war with Spain will soon be brought to a triumphant close we have no doubt, and **every condition relative to financial and commercial affairs is decidedly much more favorable now for higher market values than has been the case for the past twenty-five years.**

TUESDAY, MAY 17, 1898.

As we predicted would be the case as soon as war was once declared, speculators lost their fear of a tightening of the money market, and it has since been a rough and tumble fight to see who would buy stocks first. Of course a great many speculators neglected to take advantage of the unusual opportunities which existed to make profits, and after the market goes ten or twenty points higher they may still be found waiting to buy stocks on a break which did not come. There never was a situation where the indications were more positive and plain for the experienced financier to judge accurately as to the future course of the market. Even though prices have already made very extensive advances, that which has taken place is not nearly so large as conditions warrant, and that prices will yet go a great deal higher we have not a shadow of a doubt. If you are ever going to make money in speculative operations, opportunities are still to be had where fully as large profits can be made in the future as in the past. We strongly urge the purchase of the Granger stocks now, especially St. Paul, as it has not kept pace with the advance in Burlington and Rock Island, and we believe it will soon be found rapidly catching up with its partners. **Union and Northern Pacific, Pfd, are also our favorites for investment at the present time.**

THURSDAY, MAY 19, 1898.

Three per cent. was freely offered on the Street for the coming dividend on Rock Island and $1\frac{1}{4}$ per cent. was offered for 30 day calls at 107, but there were none for sale. **Two weeks ago we called special attention to this stock and strongly advised its purchase below 90.** What has taken place since is history, and although the advance has been almost continuous with scarcely any reactions, we feel that the top is still a long way off. St. Paul, we believe, will be the next Granger stock to make sharp advances, and there is no reason why it should not sell as high as either Burlington or Rock Island. We also called attention to Peoples' Gas some time ago, but the advance in this, while quite large has not kept pace with the other market, and from information at hand of a private nature, we have every reason to believe that it will go away above par during the next few days. If you have not had courage to get into the market there are still plenty of opportunities to make profitable investments. This is a genuine old-fashioned bull market such as we only see once in a quarter of a century, and while traders should always be prepared for reactions, we feel that there is no reason why there should be any serious break for a long time to come. In a general way the market acts like it did last September, when the big advance took place. If you remember, there were scarcely any declines at that time but **every advance went a little higher than the previous one. Never was a bull movement founded on conditions which bid fair to be so permanent as this one.** Never were the financial and commercial relations of this country in so enviable a position as they are at the present time. The trade balance in our favor during the past six months foots up to the enormous total of over half a billion dollars, and nearly one hundred million of this has been paid to us in gold during the past three months. The balance has been paid in stock certificates and other securities which are usually carried abroad. This means that foreigners are sure to come into our market again to repurchase these securities, and the result is sure to be further heavy importations of gold to this country. In addition to our relations with foreigners, we have been favored with bounteous crops for several years and a large surplus still remains here to be

exported at unusually high prices. **Traders generally are beginning to look upon the war feature as a bullish argument,** just as we have claimed all along would be the case. The effect of Government orders is already being felt in the way of increased business in various lines, and the recent improvement in U. S. Leather and U. S. Rubber stocks is principally due to this cause. These are only examples of which there will be many instances later on. If there were room for even a doubt as to the ultimate result of the war it would be quite a different matter, but under the circumstances Spain will "pay the freight" in the end.

FRIDAY, MAY 20, 1898.

If there ever was any reason to doubt the effect war would have on the stock market there certainly is none now, and although speculative operations have been very small during the past week the market has remained decidedly firm and every little reaction which took place has been immediately followed by an upward movement, **in almost every case prices going above the previous top.**

Sometime ago we strongly advised the purchase of Brooklyn Rapid Transit when it was selling around 36, and although it has gradually advanced in price the movement was not very rapid until to-day, but it now bids fair to become one of the leading stocks in the market. We said then that this stock would be advanced to the neighborhood of 60, and we certainly now believe that this prediction will be amply verified within a short time. The earnings of this company have shown such tremendous increases since its cars have been crossing the Brooklyn Bridge that it is likely to be placed on a dividend paying basis within a short time.

That the stock market will advance a great deal higher than it has done so far we have not the slightest doubt, but at the same time the speculator in order to be successful must be prepared to meet with reactions, which are absolutely necessary to any healthy market. However, we do not advise waiting to purchase for too large a reaction, because a one or two point break is all that may occur until prices have climbed to a much higher range and **those who wait for a break will be likely to remain out of the market.**

SATURDAY, MAY 21, 1898.

To-day's bank statement was an unusually favorable one and goes to prove just exactly what we have been claiming right along; viz., that the first unfavorable effect of the war is wearing away and attention is once more being concentrated upon its operations. Aside from the present war being disastrous to business interests its effect will be found to be decidedly the opposite. The large government contracts for army supplies and munitions of war are already being felt in the way of increased activity in almost every factory throughout the land and consequent employment of large numbers of workmen who have been heretofore idle. In addition to this, the vacancies created by those who have gone to the front open other avenues of employment, and the money that is distributed in this way will soon float into other channels of commerce and the result will be beneficial to everybody. Aside from the mortality which of course is sure to result from an extensive conflict, a long war would be most advantageous to us. In fact such an event will prove to be a safety valve and is just exactly what this country needed to not only cement our various factions, but also to act as a distributor of wealth, and in addition thereto will go a long way to

wards settling the currency question. A more fortunate time for us could not be selected than the present, when our granaries are bursting with an accumulation of supplies of several years while foreign countries are much in need of same. **Nobody doubts that Spain will be made to pay all of the costs of the war in the end,** and this means that a tremendous amount of money or its equivalent will be left in our hands for which we practically give nothing in return.

If we are going to be successful speculators we must not fail to consider all of these features, for they are bound to predominate in the end, independent of temporary fluctuations. There never was a time when there were so many bullish arguments as those which present themselves to-day and when there were such good opportunities for profitable investment. The advance which has already taken place is only a small indication of what we may expect to see later on, and **the purchase of good stocks around present prices is just the same as picking up money.** No one can deny that our views have been absolutely correct on the market ever since the Maine was blown up in Havana harbor, and the safest way to judge of the future is by what has happened in the past. We knew that we were right then and we believe that we are right now. Reactions are likely to occur but we do not believe they will be extensive, and very small margins comparatively will be needed in operating in the market for the next few weeks.

MONDAY, MAY 23, 1898.

One feature of the present situation should not be overlooked by the speculator and that is the fact that the public have not yet come into the market to any extent and they will probably stay out now until prices have worked to a great deal higher level, and then their buying will result in a much further advance. **A bull market never culminates until outside speculators get loaded up with stocks.** This has been the history of all bull markets, and our best guide for the future is what has happened in the past. It is, therefore, safe to predict that any reaction which may take place for the present will not be extensive and will be followed by a further advance. Notwithstanding that prices of active stocks are from ten to thirty points higher than was the case two months ago, the advance has been a perfectly normal one and devoid of sensation. In fact it is one of those advances which is sure to hold, and considering that the improvement is founded almost entirely upon facts relative to improved conditions in financial and commercial circles, there is no reason why it should be otherwise. **The bull movement is not yet nearly over** and will not be for a long time to come; and those who are waiting for a sharp decline in prices on which to purchase stocks will be pretty apt to get left.

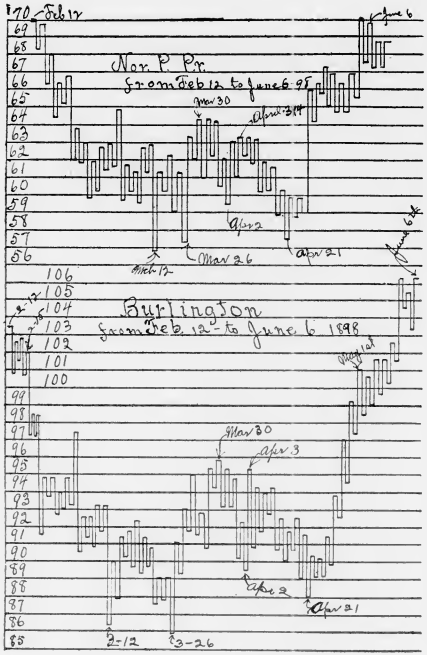
WEDNESDAY, MAY 25, 1898.

As the market advances the buying may be said to be on the increase, and the most satisfactory part of this to be noted is the fact that the buying emanates from strong sources. It may be said that the outside public has not yet come into the market, and we think it safe to follow up the advance for some time yet to come. **Any reaction which may take place will be small comparatively and will not be permanent.**

THURSDAY, MAY 26, 1898.

Although a reaction would only be natural after such a prominent advance has taken place, we believe that any which may occur will not be very extensive and **will be immediately followed by a further upward movement in prices.** We base these views on the strong financial showing of the entire country at the present time, which is evidenced daily by the heavy earnings of railroad properties and other industrial enterprises. As we have said repeatedly a **war with such a country as Spain is a bullish argument and will in the end benefit every commercial enterprise and result in the most prosperous times we have seen for a quarter of a century.**

NOTE—As I have already explained, owing to lack of space I have only published portions of these letters but have a complete file of *New York Evening Suns* at my office containing the original letters which can be seen at any time



After the 3rd extreme downward movement of April 21st, each new top made was, almost without exception, higher than the last previous one, **and was a sure guide. See page 15, also Market Letters of May 19th and 20th.**

Chart showing 1st, 2nd and 3rd extreme downward movements of Burlington and N. P. Pfd, on March 12th , 26th and April 21st. Also 1st and 2nd extreme upward movements of March 30th. The bear movement culminated on April 22nd and was followed by an extensive bull market just as I predicted would be the case. **See Market Letters of March 17th, 21st and April 9th.**

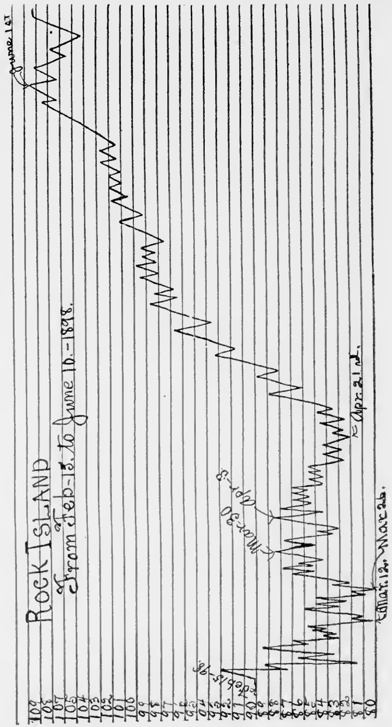
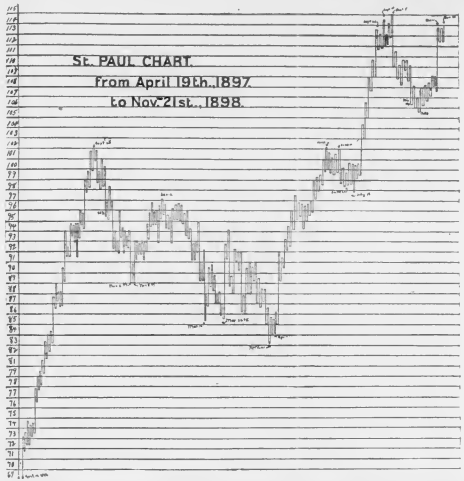


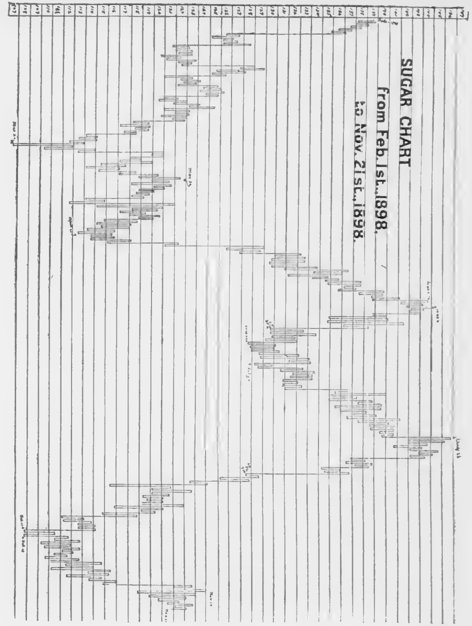
Chart showing 1st, 2nd and 3d extreme bear movements in Rock Island which took place on March 12th, 26th and April 21st, together with the 28 point Advance which followed. **Read Market Letter of May 10th, page 62,** which was published in the New York Evening Sun of that date. Chart movements as above are not infallible, but volumes of transactions and other conditions must be carefully considered in addition, and when so taken **are our best guide to future movements.**

In case the decline of March 26th or the third downward movement of April 21st had passed the low points of March 12th, it would then have been policy under my rules **to stop losses at once and wait for a new guide. Under this plan we never make a large loss,** which is essential to successful speculation.



By carefully observing chart movements of this stock you will note that after the bull movement started April 19, 1897, almost every top made was higher than the last previous one, and each reaction failed to go quite as far as the former one. This indicated a strong upward tendency, and by following rule 10, purchases were in order on each reaction, and when the top was reached on September 20th, there was plenty of warning that this was the point at which to take profits, and there was no reason for selling out at more than one point below the top. Then after the reaction had spent its force on the extreme decline of November 6, 1897, a rally of 1¾ took place, and a second extreme downward movement stopped at exactly the same point as the first one, viz., 89. This was the place to buy. Then again, early in the present year (1898) there was plenty of evidence that liquidation was going on and by reading my market letters you will see that I **predicted the severe decline which took place March 12th,** and on the second movement to that point, which occurred March 26th, I again advised the purchase of stocks. It is also worthy of note that on the rally following I again advised the taking of profits, simply because the chart indicated that another liquidating movement was at hand, and on April 21st the third extreme bear movement, which was brought about by the Spanish war, took place and **this was the place to buy stocks for a long pull,** and I advised their purchase from that time on and further purchases on the reactions all the way up.

On September 27, 1898, there was further evidence of liquidation and by careful observation of the chart you will note that the double tops made around that period were almost identical with those made one year previous, and the liquidation which took place then was brought about from the same causes. **On the strength of this double top I took profits on my St. Paul,** getting some of it out as high as 114¾, and none of it below 112, and went short of the market around those prices. A ten point reaction followed and again double bottoms were made around 106, which was the place to buy.



In figuring Sugar chart movements one must usually allow more latitude than is necessary with standard railroad stocks, as a one point fluctuation in Sugar is nothing more uncommon than a one-quarter point fluctuation in most of the other stocks, but by carefully referring to the above chart you will wonder why you did not buy on the double bottoms and sell on the double tops. The last positive extreme double bottom was made on October 11th, when Sugar touched 108¾, the second time after having made a rally of nearly three points. **This was the place to buy Sugar and to hold it.** At this writing the bull movement is still under way, but there will be just as plain evidence regarding the right place to sell it when the proper time comes. **Watch for it and see whether you can detect the same.** After the decline started early in September there was no reason why every speculator should not have sold Sugar and kept on selling it until this double bottom was made.

By having patience to wait for such movements it is possible to make speculative operations highly profitable.

RECAPITULATION.

You will notice that I continued to advise purchase of stocks after the third extreme downward movement of April 21st because under my rules this was a bull market and there were as yet no signs that it was about to culminate; therefore the only thing to do was to buy—buy—buy according to Rule 10 and to keep on buying until there were indications that the bull movement had about expended its force. Up to this writing leading stocks have advanced to the following figures, making the high points on dates given:

Sugar...................	146⅞—Aug. 8, '98	Burlington............	121 —Nov. 17, '98
Rock Island.........	109⅜—Nov. 30, "	Met'n St. Ry........	182½—Dec. 2, "
St. Paul...............	115⅛— " 29, "	Northwest	141 —
B'klyn R'd Tran...	70⅛—Dec. 2, "	Gen. Electric.......	85¼—Dec. 2, "
Tobacco...............	153¾—Sept. 19, "	L. N.....................	64⅛ " 2, "
N. P. Pfd	79¾— " 6, "	Manhattan.........	108⅜—Aug. 5, "
N. P. Pfd.............	70½—Nov. 28, "	Tenn., C. I..........	34½ " 22, "
Peoples' Gas........	112 " 22, "	Mo. Pacific..........	38⅝ " 11, "

While this bull movement was going on in stocks the Leiter wheat deal collapsed, just as I repeatedly predicted would be the case months in advance, and July wheat in Chicago sold down to 75 and September to 71 on June 13.

On the four preceding pages I have illustrated my method of keeping records of stock movements. In this way one is able to comprehend at a glance every stock movement of importance in the same way that a picture describes to the mind events which could only be told imperfectly, though requiring hours to relate. In this way one is able to keep in touch with every active stock, and by paying close attention to volumes traded in each day, together with other market phenomena and developments which have a tendency to affect prices, you must at least admit that I have been able to call every important turn of the market days in advance, during the time mentioned herein. I could go much further than this, but **the fact that these market letters were published in the New York Evening Sun on dates given furnishes proof on this point.**

MY PLAN.

I know full well that **there are thousands of people who are seeking a safe and profitable field for the investment of idle funds** where they will bring a greater return than can be secured from the small interest allowed by savings banks, who would be only too glad to place a reasonable account under the management of an experienced operator if assured that the same would be properly handled. To such I offer my services. After careful consideration of the data furnished you, regarding my ability as a judge of future market movements, I believe you will be inclined to give me a trial, and I take pleasure in assuring you, in advance, that all accounts placed under my management will receive every attention that it is possible to give them, and feel confident in saying that **when I am weighed in the balance I shall not be found wanting.**

Do not class me with so-called "Advisory Agents" who claim to furnish inside information and offer to sell it to the public at so much per yard. In the first place it should be self-evident to the prospective investor that **information which can be bought by wholesale must be of very little value, because if of any value at the start, it would soon become public property, and as such lose its value.**

Inside operators do not give away their hands to people who are going to scatter such information broadcast. Jay Gould's secret of success was the fact that he kept his own counsel, and even his friends very seldom knew what he was doing. Other successful operators are the same. In fact **secrecy is absolutely necessary to success in speculation.**

When a large operator has made a successful deal in stocks and prices have been inflated to a much higher point than is warranted by their intrinsic values, he needs buyers on which to unload his holdings, and the chances are that he will send out his lieutenants to give out misleading tips to people who will scatter the information broadcast. Then the "Advisory Agent" will likely endeavor to sell it to you, and by the time the insider has unloaded all of his holdings the bottom will commence to fall out of prices. Then, when the outsiders have all been scared out of the market with tremendous losses, the large operator will commence to buy back his securities, only to repeat the operation. This method is repeated time after time with but little variation, and yet there are plenty of new lambs to be fleeced.

I would like to go into details and give examples where deals like the above have been worked time and again, but lack

of space prevents my doing so. **I propose to offer you a plan, however, by which you can avoid being taken advantage of in this way.**

During the past few months I have been handling speculative accounts for a percentage of the net profits, but my plan differs from that of others operating in this line, in that I do not ask for a division of the profits at the end of each transaction, **but am willing to allow my share of the profits to remain in the account for any desired period;** and what is more, do not ask you to tie yourself up by signing any agreement whatever. Under this method your account is always under your immediate control and my authority to give orders for the same can be discontinued at will, without notice to me. All I ask of you is that the account be placed with some reliable Exchange firm and that you give them instructions to accept my orders for your account until further notice. If this is not fair I do not know how to make it so, and did I not have absolute confidence in my own ability I could not afford to handle accounts in this manner. Under this method I must always operate each account carefully, because, even after I have made nice profits, should my operations then be unprofitable for a time, I would not only lose your share of the profits but my own as well. **I am not a broker, but a speculator,** and a successful one at that, regarding which fact I can furnish plenty of proof. If you have not made a study of speculative operations it will pay you much better to place your account under my immediate management than to try to direct it yourself. You might as well try to plead your own case in court or prescribe for your family when sick. Speculation is a profession, and although I admit that there are many people who study it all their lives and yet apparently never become able to operate successfully, I can furnish plenty of evidence regarding my ability and past success. Perhaps you may ask why, if I am a successful speculator, I am offering to accept the management of accounts for others, and why I am not already independent financially. The fact of the matter is, that although I have been identified with Wall Street interests for over ten years, it is only a little over a year since I have been able to make speculation a decided success, and as my capital was small at the beginning, I am still situated so that I can manage advantageously a great deal more. You must not forget that there is scarcely any limit on the Stock Exchange to the amount of capital one can use to good advantage, and in fact, the larger one's capital the more certain we can be of success.

Accounts that were placed under my management during July last have now grown from three to ten times the original deposit, and I have received for my share of the profits, on an

average, more than twice the amount deposited at that time. These accounts are distributed among about fifteen different brokers and speak for themselves. That I can do as well as this in the future I certainly have every reason to believe. **In no case, however, will I accept money for investment,** but insist that all deposits be made direct with the brokers in your own name and subject to your own orders at all times, you merely giving me authority to give orders for your account.

I do this in order to prove to you in advance that I have no possible interest in your account other than to make profits for you and to see that these profits do not get away when once made. I have no preference regarding the house your account is placed with, just so it is a responsible Exchange firm. In case, however, you are not acquainted with a reliable concern, I will be pleased to recommend several for you to select from. Of course, my extensive experience has placed me in touch with most of the leading brokers, and owing to this fact I am probably better able to judge regarding the financial standing and facilities of brokers than you are able to do, and only offer these suggestions as a help to you.

Candidly, I do not think I have ever seen a market like the one we are now having, and **I believe there will be better opportunities to make big money during the next few months** than the present generation has ever seen. I do not desire the management of any more very small accounts, as each one requires just as much attention and time as a large one. However, as the markets are so favorable at the present time, and the prospects are likely to be so great in the near future, I shall still continue to accept accounts of $200 and upward, but this amount is the smallest I will assume the management of in the future, and would not care to take these but for the fact that I know it will only be a short time until the accumulated profits will make them large enough to pay me for my trouble.

I am not soliciting this kind of business for my health—of this you may feel sure; and the fact that my profits are entirely dependent upon the profitable management of your account must show to you that this proposition is different from perhaps any other you have ever received. I know there are a lot of unscrupulous people operating in Wall Street who are ever ready to deceive the public, and if you have been so unfortunate as to fall in with any of these sharks, you may at first look upon the above proposition in a somewhat dubious light, but I beg you to consider carefully the facts above referred to; if you are still inclined to doubt, kindly write for my references and I will, I think, prove to you my ability to handle your account to advantage.

There is no use of your trying to speculate profitably at any

distance from the market. Absolute attention to every quotation on the tape is essential to success. You may make profits for a time otherwise, but 99 to 100 you will lose them before you get through.

I am here on the ground and can take advantage of any turn of the market promptly, while my extensive experience in this line enables me to do so usually at the proper time. I do not always, however, make profits on every trade, but **my profits on the average amount to more than twice my losses.** I always aim to operate for each account in proportion to the capital on hand, and even though I may be compelled to take a few small losses, in this way I do not impair our capital but have plenty left to work on, and when I get right on a stock that is moving, it does not take long to make up previous small losses and more in addition.

Another advantage connected with my plan is that **I never call for additional margins,** but aim to cut my clothes according to the cloth. However, **I cannot impress upon you too strongly the importance of making your first deposit as large as possible, for the reason that the larger the deposit the smaller the risk attached to speculative operations.**

TEN IMPORTANT FEATURES OF MY PLAN.

1. REMEMBER YOU SELECT YOUR OWN BROKER.
2. YOUR DEPOSIT IS MADE IN YOUR OWN NAME.
3. YOUR ACCOUNT IS SUBJECT TO YOUR OWN ORDERS AT ALL TIMES.
4. YOU RECEIVE NOTICE DIRECT FROM YOUR BROKER OF EACH TRADE MADE, AS WELL AS CONFIRMATORY NOTICE FROM ME.
5. YOU ARE NOT ASKED TO SIGN ANY CONTRACT WHATEVER, AND THE PAYMENT OF MY SHARE OF THE PROFITS TO ME IS LEFT ENTIRELY TO YOUR HONOR.
6. MY SHARE OF THE PROFITS IS LEFT IN THE ACCOUNT INDEFINITELY, OR UNTIL SUCH TIME AS YOU WISH A DIVISION OF THE SAME.
7. UNDER THIS PLAN I MUST ALSO STAND ONE-THIRD OF THE LOSSES.
8. I SELDOM CALL FOR ADDITIONAL MARGINS.
9. YOU MAY WITHDRAW YOUR ACCOUNT AT ANY TIME WITHOUT NOTICE TO ME.
10. UNDER THIS PLAN THERE IS NO WAY BY WHICH I CAN POSSIBLY MAKE ONE CENT OUT OF YOUR ACCOUNT UNLESS MY PROFITS EXCEED MY LOSSES ON THE AVERAGE.

BEWARE OF TIPS.

I do not furnish tips on the market for the reason that it requires my constant attention during market hours to look after the accounts under my management, and even if it were not for this fact I do not believe one can trade to advantage at any distance from the market, as the delay that must arise between giving and executing orders would oftentimes prove fatal to success.

Under no circumstances, therefore, will I furnish any tips on the market or other information of this kind, but if you desire to secure my services, the above plan is the only one by which you can do so. This is just as important to you as to myself, although at first thought it may not appear so. **When I have a good thing I prefer to use it myself,** and if I give it to one I have no assurance that this party will not give it to a hundred others, and in this way the very ends which I have endeavored to attain will have been defeated. **My interest is your interest, and your interest is my interest.** Any business which you may decide to favor me with under above plan will be carefully looked after, and I have no doubt that the investment will prove highly satisfactory to you.

If you wish to make money in speculation **yon can do much better by placing your account under the management of an expert operator,** and I am sure that if you will send your broker instructions to accept orders from me for your account at once, you will never have occasion to regret your action.

In case you have no broker and wish assistance in selecting one, I will be pleased to recommend several good houses, any of which I can vouch for as being members of the Exchange in good standing and whose financial rating is very high. **Under no circumstances will I accept accounts if placed with bucket shops or houses of shady reputation,** as it is to both your interest and mine to have the account placed where the broker will not be working against our interests.

I do not think we will ever see a better opportunity to make money than the market offers at the present time, and cannot urge you too strongly to act at once if you are ever going to enter the market. Do not be backward about writing me if at all interested, as your letter will receive careful attention whether you intend to place your account under my management or not.

Very truly yours,

LEWIS C. VAN RIPER,

November 15th, 1898. 11 Broadway, New York.

ADDENDA.

SEPT. 25, 1899.

Some few months ago the publisher of the "Wall Street Ticker" made arrangements with me to contribute to that paper each week an article on charts and their uses. These articles have attracted so much attention, owing to the accuracy with which they have foretold market movements, that the publisher of that paper informs me he has received many requests for back numbers of the paper containing these articles. I therefore have decided to reproduce them in this book just as they were written, giving the date each article was written, etc., to enable the reader to judge more accurately regarding the value of carefully prepared charts to the trader. The chart diagrams published herein are the same as those which appeared in the "Ticker," and the movements of stocks are necessarily only brought up to the date on which the articles were written. You can therefore see by the charts at what price each stock referred to was selling on those dates.

The death of the market's acknowledged leader, ex-Governor Flower, of course proved a shock that resulted in an unusually sharp drive at the stocks with which he had been identified. In a former part of this book I remarked that **"it is the unexpected that always happens in Wall Street,"** and although the break was more severe and sudden than would have been the case had not Mr. Flower died suddenly, there is no doubt in my mind that the liquidation which had already started in would have carried prices nearly as low as they went from the above cause even had he lived, although the decline would not have been so sudden. The charts showed that liquidation was taking place in these stocks several weeks previous, as you will see by looking them over. As in the case of the republication of the Lawrence & Simonds market letters, I do not consider that these articles will be of very much interest except as a means of furnishing proof to the reader regarding the value of charts to the speculator and investor, and therefore republish them herewith word for word as they appeared in the above publication. Should I continue to write for that paper, I shall from time to time include these articles in new editions of this book, and trust that my readers will receive their full benefit thereby.

Very truly yours,

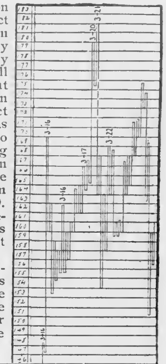
LEWIS C. VAN RIPER.

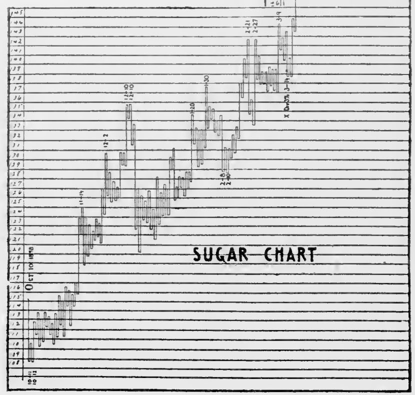
CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

During the past few years attention has been gradually attracted to the fact that stock movements are repeated from time to time, and that almost invariably extreme movements in the price of any stock, no matter in which direction, will be duplicated again in the not distant future. While there is no explanation for these movements apparent, the fact that they almost invariably occur has caused a great many successful traders to keep a record of the same by reducing them to what are known as charts. In order to explain more fully we reproduce herewith a chart of sugar stock from October 10, 1898 to March 22, 1899. The fluctuations shown are those movements which occurred without reactions in the opposite direction of a full point or more.

In September, 1898, sugar was selling around 145, and the trade war was then just getting under way, and on the severe liquidation which took place the price of sugar broke to 108¾ on October 11. After reacting two points there





was a second movement to exactly the same point, which occurred on the day following. According to chart theory this was the point at which to buy sugar, and it will be noted that the advance was continuous,

with fractional reactions, until double tops were again made at 135¾, which occurred December 10, 1898. Although there were sharp reactions in the meantime, it is worthy of note that the majority of the bottoms made on those reactions were higher than the last previous one, which showed that accumulation of stock was going on by heavy interests. The reaction which took place after double tops were made between 135 and 136, was probably the result of profit taking, or perhaps the people who were accumulating stock thought it time to check the advance, as they probably had not yet secured sufficient lines, and after this reaction you will again notice that, as was the case before, the majority of the bottoms made were higher than the last previous one. In fact, the chart, while showing a zigzag course, has the appearance of a stepladder, and the advance, although culminating in a wild and sensational movement, was at first steady and orderly, and nothing indicated the direction from which the wind was blowing so plainly and vividly as did these recorded movements when looked at as a whole. **Fluctuations are merely the ripples on the surface of the speculative tide, and in order to be a successful operator one must be broad-minded enough to pay no attention to temporary movements,** any more than the sea captain would change the course of his ship because of the direction of the waves of the ocean.

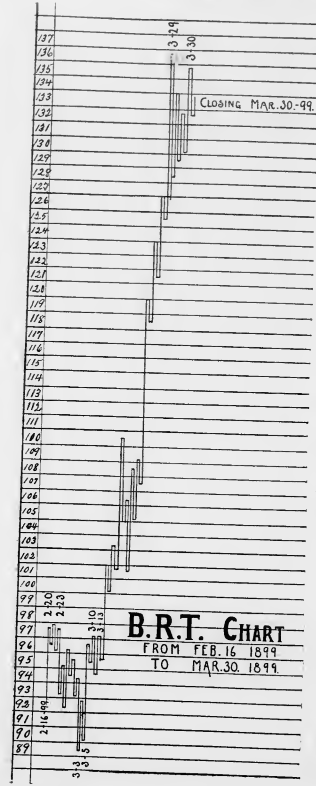
You may not be a believer in chart movements, but nevertheless there are many prominent and successful operators who use them for guides to assist them in forming opinions as to the market's future course, and **the fact that these operators have been almost universally successful should be evidence enough that they are worthy of consideration.**

In considering chart movements of sugar it is evident that more allowance must be made than in stocks which are more steady; that is, a point or two must be allowed owing to the sharp fluctuations which occur in this stock, but a glance at the above movement is, we think, sufficient evidence that charts are worthy of careful consideration by speculators.

WALL STREET TICKER, March 27, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)



The week just past has been one of remarkable activity in some stocks, and transactions have been enormous. Those which were most prominent were what are known as the "Flower Specialties." Speculators and operators, as a general rule, viewed the sensational advance, which occurred in Brooklyn Rapid Transit with wide-eyed astonishment, and how few of them benefited by the great opportunity afforded! An advance of 47 points in less than a month's time is indeed not to be sneezed at, and while a few traders were fortunate enough to play this stock and made enormous winnings, the majority of the professional operators stood aside and let the opportunity go by.

My purpose in calling attention to this fact is to illustrate more fully the benefits that can be derived by watching chart movements closely, and the accompanying illustration shows more fully regarding these points. Do not understand me to imply that there is any infallible guide that can be used in operating, but what I mean to convey is the fact that one must have something to assist him in forming an opinion, and I have found my chart one of the best aids in this line that it is possible to have, and the only time I have made mistakes in operating has been when I have refused to be guided by these movements. By a glance at the illustration you will see that triple tops

were made at 87½ from February 20 to February 23, and that on the liquidation which followed double bottoms were made on March 3 to 5 around 90, the first being 89½ and the second 90¼, there being a variance of three-quarters of a point. Allowance must oftimes be made for fractional differences such as this, and in stocks which fluctuate wildly it is sometimes necessary to allow a point or two, but in a general way our chart records show us the tendency of the market. After these double bottoms were made there was a temporary hesitating period around 96, but no positive movement took place either way until the old top was broken through, when the stock should have immediately been purchased, even though profits may have been taken at 97 or on the double tops which occurred there. **This is one of the main reasons why charts are valuable guides, i. e., they furnish a point at which to stop losses.** In other words, even if you had sold Brooklyn short at 97¼ on the second double tops, which were made there on March 10 and 13, just as soon as the price went above the old high point, 97⅞, and the volume of trade became large, you should have bought in your short stock and went long. Then on each reaction which followed more should have been bought, according to Rule 10, illustrated in "Ins and Outs of Wall Street." As was the case with Sugar chart, illustrated in last week's issue, you will note that the bottoms made in Brooklyn Rapid Transit after the advance commenced were in almost every case higher than the last previous one, while the tops were also higher than the previous tops, and that during all of this advance the buying was tremendous and in large blocks, with in almost every case the large volumes coming out on the advances, which indicated that heavy interests were buying the stock, and **at no time was there any evidence of liquidation until the high point, 136¾, was made March 29. After this top was made there was heavy selling on the reaction which occurred, and the second top was practically made to-day, March 30, and this was the place to take profits.**

I am often asked for my opinion on this or that stock, but to all such I can only have one answer. **I never form an opinion for the future, except in a general way, but watch the tendency of the market each day, each hour, and, in fact, every minute.** Perhaps you can tell what Brooklyn Rapid Transit is going to do next week, but I cannot. With the close of the market on March 30 (same being date on which this letter was written) my opinion ends, **but the chart certainly shows that profits should have been taken on Brooklyn on this date,** and it may be a sale for the short account, but I would dislike very much to advise short selling on such a positive bull market as exists at the present time when every condition tends toward higher prices. Look at the chart and when you see Brooklyn Rapid Transit start up again, on a large volume of transactions, and should it get well above the previous high point made on the 29th, buy it again, and buy it for all it is worth. Do not pay any attention, however to "sure thing" tips and news gossip.

Next week I will illustrate, by chart movements, Federal Steel common.

LEWIS C. VAN RIPER.

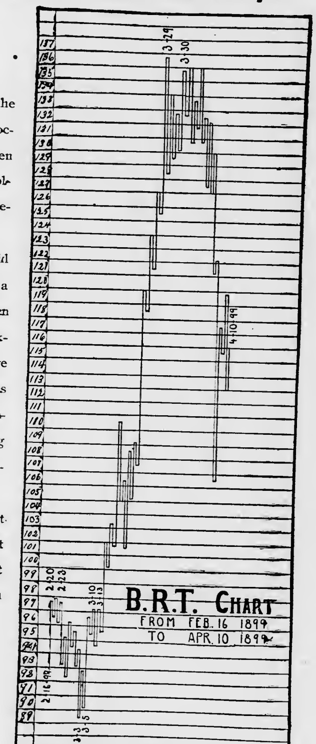
March 30, 1899.

B. R. T. CHART SHOWING BREAK WHICH TOOK PLACE ON APRIL 6th AND 7th.

This chart shows the movements which occurred during the ten days immediately following the date of foregoing letter.

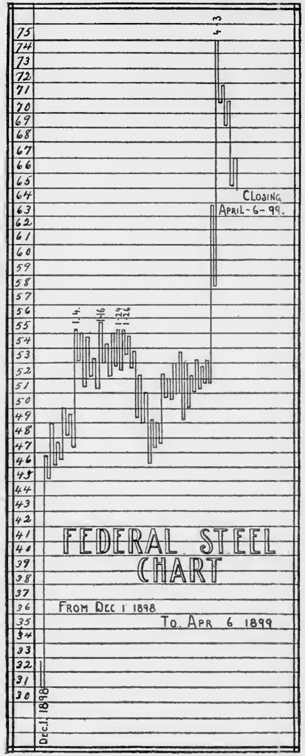
Note what I said about B. R. T. being a sale on March 30, when at that very time Brooklyn was selling above 133 and the street was full of bull talk, operators freely predicting 200 for it on that movement.

On April 7th, just one week after I said it was a sale, the market broke thirty points in two days. L. C. V.



CHARTS AND THEIR USES.

(From Wall Street Ticker.)



In last week's article I called attention to the double tops that were made in Brooklyn Rapid Transit and said on March 30, that was the day on which profits should have been taken at 135⅝. At the time that article was written Brooklyn Rapid Transit was fluctuating between 133 and 135 and looked very strong. **In view of the sharp break which occurred in this stock yesterday and to-day it cannot be denied that the chart furnished a valuable guide in this instance just as it does continually if properly followed.** As is usually the case, those stocks which advance most rapidly are the very ones which make sensational declines, and many a man went home to-night from Wall Street with empty pockets and a heavy heart just because he listened to all of the gossip that was going around and believed that because Flower or some one else talked bullish on Brooklyn its price could not decline more than a few points at furthest. How foolish such a supposition is we all no doubt know now. **It is always the unexpected that happens in Wall street. Although the market rallied sharply to-day, after the severe shakeout which occurred the probability is that after showing an unusual degree of strength for a short period, there will be another sharp decline, when the low prices made to-day in leading stocks will again be seen or nearly so,** in which

case I believe you can safely buy good stocks. Look at the low prices made to-day and keep them in mind. Do not, however, expect each stock to go within one-eighth of a point of where it went to day. One or two points or even three is near enough, provided you trade conservatively.

In the illustration opposite you will notice that after Federal Steel started on its upward course around 31 there was a continuous advance, with only fractional reactions, until 55¼ was reached. Traders who were watching the market at that time will remember that transactions were heavy each day, and that the large buying occurred on the advances, which was indicative that strong interests were accumulating the stock. After 55 was reached, considerable profit taking occurred, and six or seven double tops were made around that price. This was evidence that one should sell out and wait for a sharp break, which occurred around February 1, when double bottoms were again made, with each movement working into higher territory. Then when the big rise started, around the 20th of March, the buying was to all intents and purposes the same as on the first big rise which occurred, and was continuous with only one reaction until there was another twenty point advance over the previous high point, and although it was apparent to insiders that liquidation was going on, the double tops were not so apparent as usually occurs; but here is where a little clear headed judgment is necessary. For example: By looking at the chart movements of other stocks you will see that almost everyone of them had been making double tops for several days, and although this stock was an exception, the fact that other stocks were showing tops was indicative that a general reactory movement was near at hand, and as soon as this decline started this stock should have been sold. The decline was checked at practically the same point as the last one. **Now, according to my judgment, from 58 to 60 is the place to buy this stock on the next decline. Watch and see if it will not sell there inside of the next two weeks.** The market looked very strong to-day at the close, and as though it would never decline again, **but something will happen that will bring it about just the same as it did to-day and yesterday.** I also look to see it make double tops around 75 in the not very distant future.

I do not know of any guide a trader can use which is more reliable and trustworthy than recorded chart movements. They show which way the wind is blowing better than all the columns of figures and market letters that one can accumulate, and there is any amount of this trash to be had for the asking. You can keep these charts yourself. There is no secret about them whatever. Merely record fluctuations of one point or more. To be sure, there is no infallible rule to go by, nor are the double tops and double bottoms always to be relied upon, but they certainly furnish one with a guide and by following them closely, if you happen to be wrong you can stop your losses at once and turn and go with the tide.

Kindly bear in mind the predictions made herein and see how nearly they will prove true in the future. Make a note of all the low points touched in the leading stocks to-day and on the next break buy them within a point or two of these figures.

By the aid of chart movements last year after the big break which occurred March 12, I predicted the points at which leading stocks would sell on the next sharp break, which occurred on the 26th, and in some cases the exact low points were made and almost every stock on the list made them within a point or two, although there had been a sharp rally in the meantime, and the second break was almost as sensational as the first. For proof of the above assertion see page 40 in my "Ins and Outs of Wall Street." In case you do not happen to have a copy of the same I will forward one to your address by mail on request.

Lewis C. Van Riper.

April 7th, 1899.

CHARTS AND THEIR USES.

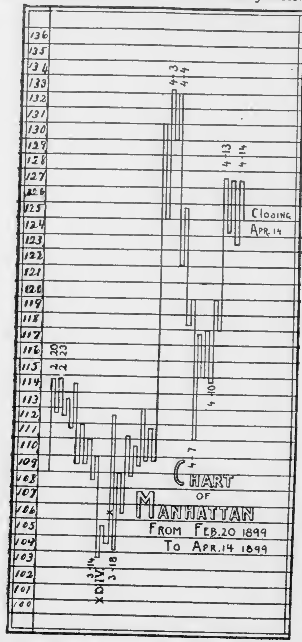
(FROM WALL STREET TICKER.)

Readers who may doubt that there is anything in chart movements by referring to my last week's article on Federal Steel, written on April 7, and published in this paper, will find the following extract: "The decline was checked at practically the same point as the last one. Now, according to my judgment, from 58 to 60 is the place to buy this stock on the first decline. Watch and see if it will not sell there inside of the next two weeks. The market closed very strong to-day, and as though it would never decline again, but something will happen that will bring it about just the same as it did to-day and yesterday. I also look to see it make double tops around 75 in the not very distant future."

The above statement was made in connection with the sharp break which occurred April 6 and 7, but on the 7th you will remember that the market closed decidedly strong, and Federal Steel had advanced to about 63, after selling below 58 early in the day. The above was written after the close of the market, and, as stated therein, to all outside appearances there were no signs of weakness at that time, but early in the present week there was a decline in Federal Steel Com. to 60½, followed by a rally to 63½, and a second movement to 60. Now, you would be excusable for not having bought on the first decline, because it perhaps did not go quite as low as would ordinarily be expected, but on the second movement to 60 this stock should have been bought. In the above quotation taken from last week's article you will also note that I predicted Federal Steel would probably again make double tops around 75. This looked very far away at that time, but does not lo k so far now. One thing we must, however, bear in mind, and that is not to expect each movement to go exactly to the same point that the previous one did, as a great deal depends upon the state of the market. For example: During a semi-panic, such as we had last week, it was only natural that, owing to the severe liquidation, caused by exhausted margin accounts, prices would make extreme movements that would not be so likely to be duplicated immediately; therefore a few points allowance must be made. However, some stock made the exact low points this week that were made last Friday. Atchison Pfd. is one of these. This is accounted for by the fact that there was probably less liquidation in Atchison this week than in most any other stock, while Brooklyn Rapid Transit was the other extreme, and the second movement in this did not reach the low point within 5 or 6 points, but in a stock that can move 30 points in forty-eight hours, 5 or 6 points are near enough for all practical purposes, and although this stock in particular looks decidedly strong at this writing, while the buying is good, **it practically made a double top at the old high point, as it sold ex-rights to-day, which were quoted this morning at about 2, making the high point touched in the stock to-day practically 136¾, being the old extreme top, or a 30 point advance from the extreme bottom made only a week ago. Now, my advice would be to take profits in Brooklyn, and I, for one, shall do so with the stock that I have accumulated on the rise** unless the buying should be very strong in the morning and the price should pass the old high point on heavy buying, in which case, instead of taking profits, I would buy more. There will, no doubt, be plenty of indications when the liquidation starts in, and if you are wide awake you will see by the chart movement just when and what to do.

In this week's illustration you will note the extreme double tops and bottoms made in Manhattan. After the rise started in this stock on February 18 triple tops were made between 114 and 115. There was plenty of warning to take profits, and on the break which followed to 103⅝, ex-dividend, you will note two movements to practically the same point inside

of a few days thereafter. Here was the place to buy again; also to buy more on each movement, as the bottoms continually worked higher until the big rise started between 109 and 110. At this point you will see that each decline stopped at practically the same figures, indicating a supporting point. In other words, big traders had orders in to buy all of the Manhattan offered around 110, and were continually absorbing stock for several days,



after which the big movement started and a 20-point advance took place without a full point reaction. On this advance the buying was heavy all the way up, and all the time at advanced prices, so that it was practically safe to buy it (always keeping liberal margins, of course), until the first reaction took place, after which, on the second movement up, profits should have been taken around 131. Then, when it passed that point, you could buy again, taking profits on the second movement to 133, which was the place to sell it short, and on the severe liquidation which took place you could continue to sell it until the first sharp rally occurred, after which, on the reactions, profits should have been taken; and on the third one, when an exact double bottom was again made around 115, the stock should have been purchased. **Also please note that a top was made on the 13th inst. at 127½, and after a 3-point reaction a double top was again made at the same point to-day. This was the place to take profits, no matter what the market is going to do to-morrow.** Don't try to figure too far ahead. Manhattan will probably go a great deal higher some time—perhaps 200 or 300—who knows?—but what we want, and what all traders should try to secure, is immediate results, and if we can keep away from the excitement and news gossip and act only accord-

ing to the charts, we will always have a safe guide, which will not lead us very far astray. **If you did not take profits to-day and Manhattan rallies to 127½ again in the near future, sell it at that point or within a half point of this price, and sell it short in addition;** but, on the other hand, should it go well above that point on large volumes of transactions, buy in your short stock and go long the same quantity, then watch for the next double top. Your friends will tell you to hold it—that Vanderbilt is buying it—that "so and so" has just bought 50,000 shares; or some such talk will be sure to be heard on every hand, provided you listen to it. My advice, however, is to pay no attention to such talk or to "sure thing" tips, but to follow your charts and you will win out in the end.

To be sure, you will make losses occasionally, but your losses will always be limited, which is an important fact. **Consequently your losses will be small and your profits large,** so that even though you may make several losses to one profit, you will still have a good sized balance to carry over to the profit side of the account. One of my correspondents wrote me the other day something to this effect: After telling me that my articles were interesting and usually quite accurate, he said: "I do not, however, take any stock in chart movements. I do not believe that if Flower wanted to run a deal in Brooklyn he would stop the movement at some certain point just because the chart showed a double top at that point, &c., which, of course, is a sensible view to take. **Neither do I believe that Flower, Keene or any of the large operators would be guided in the least by any such cause, and it would be foolish even to make a suggestion of this kind.** My friend has, no doubt, confounded the cause with the effect, and should bear in mind the following maxim: **Chart movements do not in any way guide the large operators, but, on the other hand, chart movements furnish the careful observer with a detailed map of the operations of the leaders, and show at what points those people are taking profits and at what points they are accumulating stocks.** They furnish one with a definite idea as to what point to stop losses at. The latter is an essential fact that must not be overlooked by the successful operator. Manhattan is one of the most erratic stocks to follow by its chart movements, **but the foregoing illustration shows plainly enough what should have been done with this stock during the past two months,** and I do not know of any means by which the small trader can keep in line more accurately with the manipulators than by watching the fluctuations of stocks with the aid of carefully prepared charts.

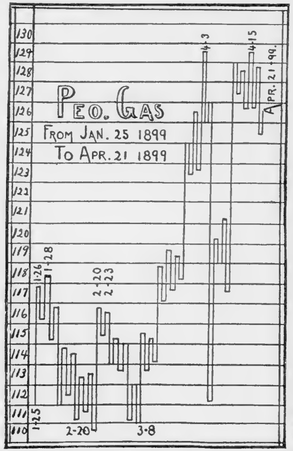
April 14, 1899. LEWIS C. VAN RIPER.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

In my last week's article I referred to statements made by me on April 7 with regard to Federal Steel, in which I told my readers to buy it from 58 to 60, and also said that I would not be surprised to see it make double tops around 75, in the not very distant future. Instead of double tops being made at the above figures, however, they were made at 69¼, which was the place at which to take profits on the second movement, and several scalps could have been made in this stock during the past week. **If you have kept a chart you will note that it has registered four or five tops around 69 and that double bottoms occurred in the neighborhood of 67.** Now, the way to trade in this stock is to sell it at about 69 and buy it at about 67 until it crosses one of these points on a large volume of transactions.

In my last week's article on Manhattan I advised you to take profits around 127½, and to buy it again if it passed well beyond that point. At the same time I called your attention to the fact that Manhattan, as a rule, is a very erratic stock, and that more allowance must be made in chart movements of this stock than in most others; consequently, I would not buy it unless it got well through the old high point. I think at least two points allowance ought to be made for this stock as a rule.



One thing I wish to impress upon my readers and it is this: **By keeping charts on the stock market it does not follow that you are a crank or that you have a "system" which is infallible to beat the market.** There is no system about it and no sure thing; common sense must be brought into play more often than figures. Another thing you must not forget and that is that the market is not guided by your charts. In other words, **just because some stock has made double bottoms at a certain point there is nothing sure that it will not go below that point and it may do so before you expect it;** but by keeping a record of these movements you are always able to decide at what points to stop your losses and when to buy or sell or take profits, and if you will follow them carefully you will find that four out of five times you will make two or three points profit while your losses will always be limited and few. **A carefully prepared chart is merely a detailed record of the operations of the market leaders.** By leaders I do not necessarily mean one or two men

working in unison. It may be Flower and his following, or the Keene crowd, or it may be merely a horde of traders, operating unconsciously in unison, but you do not need to care who, where or what it is so long as you are able to calculate with precision as to the supporting and liquidating points of certain stocks.

During the past week the movement of Brooklyn Rapid Transit indicated to me that the price was being supported between 129 and 130. Had this support been withdrawn the price would have immediately broken through these double bottoms and I would have sold out all of my holdings. On the contrary, however, every time it dropped to those points there were sharp rallies, and the fact that it made a new high point early in the week leads me to believe that another advance is near at hand. The stock, however, should be watched closely.

In the drawing on preceding page, I have illustrated the movements of People's Gas. You will note that double tops were registered on the 26th and 28th around 118. Also, on February 20 and 23 between 116 and 117, soon after making double bottoms near 111. After this the advance was continuous, with fractional reactions, but each decline stopped at a higher point than with the previous one, **until the extreme advance had culminated at 129½. During the past ten days this top has approximately been made again several times, and indicates a liquidating point. I do not know anything about the future price of this stock, but I do know that this is the point at which to take profits, and it will be time enough to buy again when the price advances well above that point.** I have often noticed that many stocks will go one-half point above a previous top and no further, but they very seldom go five-eighths without going a great deal higher. Why this is I do not know or pretend to explain, but that a careful observance of chart movements is the most reliable guide a speculator can have I do know, and you do not have to be an expert in order to follow these movements; but it is, however, important to be where you can watch the market every minute, otherwise you will be unable to take advantage of the movements promptly.

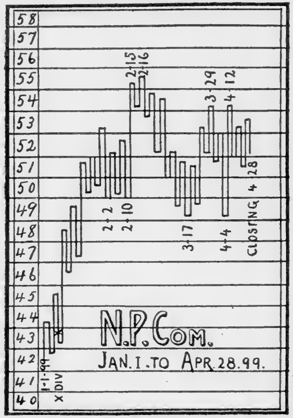
LEWIS C. VAN RIPER.

April 21, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

If you are not a believer in chart movements, or rather in the use of charts as a guide to speculative operations, **get a table of quotations and note at what prices Federal Ste.l, Manhattan, People's Gas and Brooklyn Rapid Transit were selling on April 21, the date on which my last article was written**, or you may even go further and read all my articles under the above heading, and carefully compare prices of stocks mentioned at the time each article was written. Now, I do not claim to be a prophet or the son of a prophet, but my predictions have been based entirely upon chart movements, as explained in this column from time to time. Whether they are reliable or not you can easily determine, but do not for a moment imagine that charts are going to regulate the market. You must remember that they are merely a record of stock movements showing at a glance each supporting point and each liquidating point. By looking at a carefully prepared chart one is able to comprehend at a glance every movement that has taken place for months, while the most complicated table of figures would fail to convey to the mind's eye these points. A simple glance at a picture conveys to your mind ideas which it would take hours to relate. This is what a carefully prepared chart does for the speculator. We are so apt to forget our past experiences; but I dare say that many a trader will not forget something that happened to him on a certain "Black Friday" in 1899; whereas, had he been guided by a carefully prepared chart, there would have been no occasion to have been caught napping.



The accompanying chart illustrates the movement of Northern Pacific, common, since the first of the present year. See how plainly the upward movement was indicated by the successive steps made when each top went higher than the last previous one and each decline was checked at a higher point than the preceding one. This movement continued until the middle of February, when indications pointed the other way, and profits should have been taken within a point of the top. When the liquidation then occurred a 6 point decline took place, showing positive double bottoms. During the present month several tops in Northern Pacific, common, have been registered around 54, and it is a sale every time it goes there for the present. The trouble with most of us is that when the market is around

these tops there is so much bull enthusiasm in the air, and the buying appears to be so heavy, that we are apt to say to ourselves, in spite of the double tops, "Well, it looks pretty strong; I think it is going through this time," and four times out of five stocks are a sale every time they make these tops.

We ought always to remember that it is not necessary to take a large loss, and even if we do sell stocks on these double tops and they go three-quarters of a point beyond that price, we should then buy in our shorts and go long. **In this way one's losses are always limited, and four or five profits can be made usually to one loss, while each profit will average much larger than the losses** if this theory is carefully adhered to. As I have said before, just because a certain stock may have made several tops at some one price is no indication that it will not go higher some time, but the fact of its having made these tops shows that liquidation is taking place and that there is more stock for sale around these points than there are buyers In other words, the supply exceeds the demand, and you can discover it by this method, but there is no other by which you can do so that I know of.

In last week's article I called your attention to the fact that the chart showed me that Brooklyn Rapid Transit was being supported between 129 and 130. At the time that article was written the price of Brooklyn was about 130 to 131. To-day it closed at 135¼, and the chart indicates that accumulation of this stock is going on. There may be reactions, and probably will be, but if you will watch your charts carefully you will soon discover which way the tendency is and will be in a position to take advantage of same.

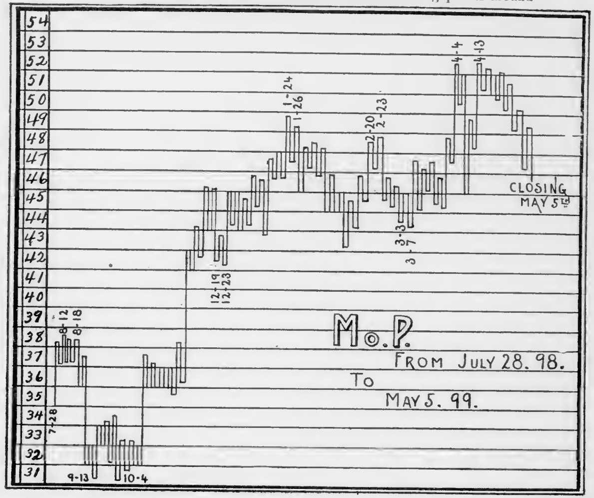
LEWIS C. VAN RIPER.

April 29, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

By reference to the accompanying illustration you can readily see where chart movements furnished an infallible guide to the operator in connection with Missouri Pacific, a stock, by the way, which usually does not fluctuate very widely. Look at the double tops made between 38 and 39 during August last year and the successive steps downward when liquidation got well under way. Then the supporting points appeared between 31 and 32, and after fluctuating been 31 and 34 for several weeks an upward movement started, as was indicated by each reaction stopping higher than the last previous one, and when the movement got well under way the advance was very rapid. Now you would have had an excuse for taking profits around



the old previous high point, viz., 38, but when this old high point was well broken through on large volumes of transactions, which was the case at the time if you remember, you should have immediately repurchased for the rise to come, and there was no indication of liquidation until the price got near the 50 mark. At this point considerable liquidation occurred, resulting in a reaction to near 43. **Around 44, then, was the supporting point, and on the second upward movement the price reached 52½, followed by a sharp reaction and a second movement to identically the same price. Here was the place to take profits and go short,**

but I will wager that you did not do so, for the reason that all kinds of bull talk was circulated on the Street just at that time, and the average speculator would almost have bet his life on the fact that Missouri Pacific would sell somewhere near par before the movement culminated. This is just exactly what fools the average trader—**when prices are at the top, and the time has arrived to sell, the market always appears the strongest, and all kinds of bull news is being circulated by the manipulators.**

I have often noticed, through my connection with various brokerage houses, the fact that speculators often buy at exactly the highest point that a stock sells at on an extreme movement, and often sell at exactly the lowest point a stock makes, and what is more, in case they have margin left, are very apt to even go short at the latter point. At first thought it would appear very queer that this should so often occur, but when we stop to analyze the facts and to figure the real causes why this is so, it is not so strange after all, because when the market is very weak all kinds of bear news is sure to be distributed by the news agencies and the manipulators. This is the food supplied to the average room trader, and he is pretty certain to become a bear just at the time when he ought to be a bull and vice versa. The only remedy I know for this disease is to keep a carefully prepared chart and to stay away from the news gossip, news tickers and tipsters.

Then, if you will follow your charts and not merely keep them to look at and to show people after it is all over, you will make a success of speculation. I do not write these articles on charts because they sound nice or because I am paid for doing it, but I write them because I am a firm believer in charts as a guide to the speculator when properly followed, and what is more, *I know that they are an infallible guide.* As I have often remarked before in this column, they do not influence the market. Do not be misled into thinking that because some stock has made double tops or double bottoms at certain points, the market is not going beyond those points in the future, because it is; but the chances are that it will make more movements of the same kind that it has done recently, and you should act according to those points, always, however, watching the market closely, and in case of the price going beyond or through those places on a large volume of transactions, do not be backward about changing your position, because this is a great safety valve to the speculator, and you never need to take serious losses if this rule is adhered to. "But," say you, "it is hard to do this," which is all too true. I, myself, have paid dear penalties by becoming stubborn and refusing to be guided by these movements, and when I have done so, in nine cases out of ten, results have been somewhat disastrous to myself, whereas, had I followed the charts strictly, while losses would occur occasionally, results in the long run would have been highly satisfactory. In fact practically the only times I have suffered serious losses have been at such periods as I refused to be guided by chart movements, and I am sure the average trader can say the same.

The articles I have written for this paper during the past few weeks are proof enough regarding this assertion. If you do not believe that charts mean anything look up the back numbers of this paper and read especially my article published two weeks ago. I am not one of the kind who believes in constantly boasting regarding past successes or predictions, as I am only too well aware that results speak for themselves, but the chart movements illustrated herein have usually shown the trend of the market better than could have been obtained from any other source, and I am sure that my readers will appreciate the fact without having the same constantly called to their attention, and as "the proof of the pudding is the eating thereof," I ask you to kindly compare my previous letters with prices at the time they were written and those ruling at present.

May 5, 1899. LEWIS C. VAN RIPER.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

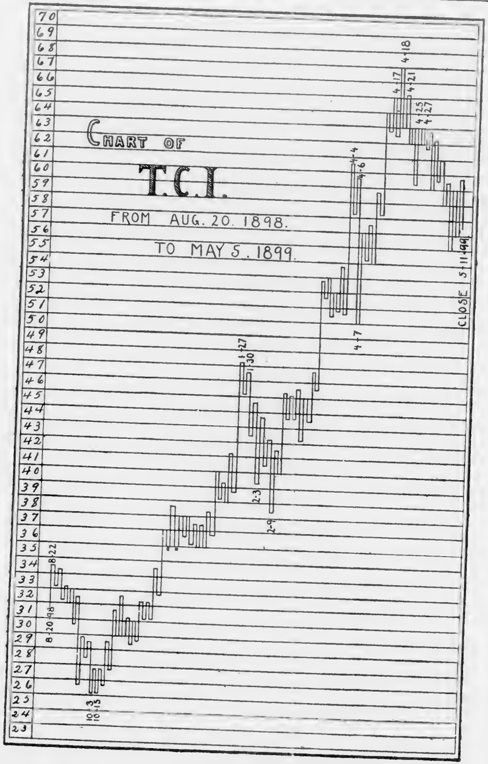
The stock markets of the past ten days have furnished abundant proof regarding the value of charts as a guide to the speculator. If you were caught on the wrong side of the market of almost any stock it was simply because you did not believe in chart movements or were too stubborn to be guided by what the chart told you.

By the illustration on following page you will note that after the bull movement of last August was checked, double bottoms were made in Tennessee Coal and Iron on October 3rd and 15th respectively, and as soon as the market turned for the better, it was evident by each decline stopping higher up. In the case of this stock it was almost a continual advance until January 27th, when the price registered a twenty-two point advance from the low price of October or nearly one hundred per cent. advance. Here considerable liquidation took place, but there was plenty of evidence regarding the turning point, and one ought to have taken profits not lower than 45. Then on the reaction which took place, low points were again registered on February 3rd and 9th, after which each decline stopped at higher prices, and it must have been apparent to the close observer of chart movements that accumulation of stock was again going on. This movement did not culminate until over 20 points more had been added to the price, and although it would not have been possible to have taken profits exactly at the top, on the second movement profits should have been taken, and on the double bottoms subsequently registered around 55, purchases should again have been made. You will note, however, that the tops of either January 27th or April 4th were not nearly as evident as was the case on the last upward movement which culminated at 68. **Here after the first severe reaction several tops were made around 64, and it was as plain as the nose on your face that liquidation was then going on on a much larger scale—in fact the insiders were unloading.** But if you remember, every time this stock rallied it showed a great deal of strength, and to those not posted on Wall Street tactics, would appear to be going higher, but did not do so. At this writing the chart would indicate that the downward movement is still under way, but, as I have often remarked before, there is no way of telling what it is going to do to-morrow. Every movement must be watched. Perhaps the apparent liquidation which is taking place is merely a false alarm, but the chart will tell you in time to save yourself and to enable you to stop losses if you are on the wrong side. You must, however, watch it carefully or there is no use in keeping a chart.

The action of Sugar to-day demonstrated the value of chart movements. After opening quite strong, double bottoms were made around 47½, and those who bought stock on the strength of this were able to close the same out before the close of the market to-day at nearly ten points profit.

It is evident, however, that a great many people do not understand the purposes of keeping charts on the stock movements. Allow me to repeat that because the chart may show double tops or double bottoms at some point on any certain stock, this does not indicate that the market is not going beyond those points at some future time, because it is just as sure to do so as it is sure that the sun will rise to-morrow. The chart does not regulate the Stock Market, but, on the other hand, furnishes a close observer with a barometer which is sure to show the tendency of the market at all times.

A gentleman called upon me yesterday who had read my article on Brooklyn Rapid Transit, and said: "According to your chart on Brooklyn, the price ought not to have gone down." Nothing is further from the truth



than this statement, although undoubtedly made with good intentions. He evidently seemed to think that because the chart showed an upward movement at one time, the stock must continually go up, but if you have been interested enough to keep a chart for your own guidance, you will note the

turning point was indicated. I want to impress upon the minds of all my readers that keeping chart movements is not a system to beat the stock market, and that there is no sure thing about it, but it is merely to be used as a guide by the careful observer who must be satisfied to operate in a conservative manner. If you are going to plunge, the charts will not help you materially, because you are sure to lose your money in any event. **You cannot expect to sell your stocks at extreme high points or buy them at extreme low points, but by carefully watching chart movements there are many times when you can buy near the bottom and sell near the top,** and there are also many times when they will tell you nothing, and at such periods you must keep out of the market entirely. **Do not expect to make a turn every day, or much less every hour, but be satisfied to watch for positive movements,** and to the operator who will do this I do not know of anything that will prove as valuable as a carefully prepared chart.

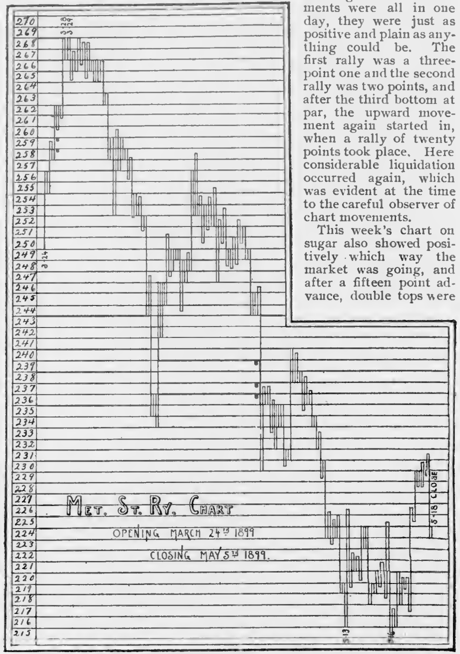
LEWIS C. VAN RIPER,
11 Broadway, NewYork,

May 12, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

If you have been keeping a chart on Brooklyn Rapid Transit you will note that one week ago to-day three distinct bottoms were made at par. Although these movements were all in one day, they were just as positive and plain as anything could be. The first rally was a three-point one and the second rally was two points, and after the third bottom at par, the upward movement again started in, when a rally of twenty points took place. Here considerable liquidation occurred again, which was evident at the time to the careful observer of chart movements.



This week's chart on sugar also showed positively which way the market was going, and after a fifteen point advance, double tops were recorded just above 161. While the market this week has been somewhat unsatisfactory from a trader's standpoint, double tops were made on most of the active issues, when sales should have been made for the short account, notably in St. Paul, Burlington, People's Gas, Manhattan, Sugar and others.

By referring to the accompanying illustration you will note that while the upward movement was on in Metropolitan, tops were continually working to a higher level, and the reactions did not go so far as the previous ones. Then, when the insiders got ready to unload their surplus holdings, liquidation set in, but the price was supported around the top for sometime until they could unload on the public, and after each reaction the price was again put up to exactly the same price. This process consumed several weeks and every time the stock rallied, it was made to look decidedly strong, but the insiders were selling all the stock they could sell without breaking the market. Then after they had an opportunity to unload, they let the market take care of itself, with a resulting decline of over fifty points.

In talking with operators and brokers you will hear all kinds of opinions expressed regarding the future course of the market. Some will tell you that the stock market is going to the dogs, and that we are at the beginning of a big bear market. Others take a more hopeful view of the situation, but I do not see what difference it makes to the wideawake operator if he will just keep on the right side of the market. I do not care whether the market is going down or up just so I am able to judge accurately as to its course each day. One can make just as much money on a bear market as on a bull market, and even more as a rule because the market usually breaks faster than it rallies. I am sure the charts will continue to show which way the tendency is from time to time in the future just as they have in the past, and hope my readers will be able to guide their actions accordingly. Taking the market as a whole, however, I am decidedly inclined towards the bull side and think it safer to buy on the breaks than it is to sell on the rallies. Although prices may work a little lower and the market may remain dull for a little while I believe we will soon see the beginning of another extensive bull market, and when that time comes every operator who watches his charts will be able to discern it in time to take advantage of the same. One thing is certain and should never be overlooked by the careful operator—that is the fact that the market is always here and that there will be just as good opportunities for profitable transactions in the future as there ever have been in the past.

LEWIS C. VAN RIPER,
11 Broadway, New York.

May 20, 1899.

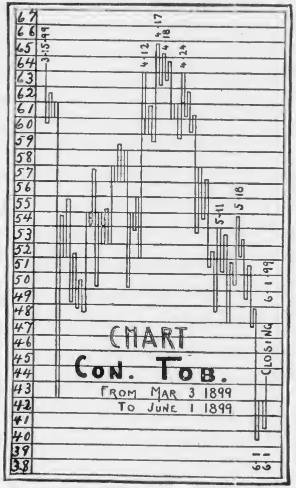
CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Throughout the severe liquidation which took place during the week just past, the Charts have again furnished infallible guides regarding the points at which to buy stocks. Double bottoms were made on the 2d inst. in most of the active issues, in many cases within a fraction. If you are keeping Charts, look at Atchison preferred, which shows triple bottoms at 53¼; Brooklyn shows double bottoms around 105; Federal Steel, 54⅛; People's Gas, around 114½. Sugar made exact double bottoms at 139⅜, and again at 140½, then again at 143¼, and double bottoms on the 2d and 3d inst. around 147. Tennessee Coal and Iron also made distinct double bottoms at 56, showing a subsequent rally to above 62.

The Chart herewith illustrated shows the movements which occurred in Con. Tobacco since March 15, 1899, and although this stock moves very erratically, owing to the uncertainties surrounding its intrinsic merit, the Chart indicated plainly when liquidation started in around the middle of April, and there was no reason why profits should not have been taken

around 62 or 63. Then after a 15-point break, double bottoms were made around 48½, resulting in over a six-point rally, and a further break to 40½, followed by a second movement to 41¼, and a third downward movement to 43. Now, in this case, it is apparent that each decline is being checked at higher prices, and the tendency at this writing is decidedly bullish. My advice would be to buy it on any movement to below 45, or in fact near that point, but it is hard to set figures at which to buy, for the reason that you must judge somewhat as to the condition of the balance of the market. Should the entire market turn weak, Con. Tobacco will surely decline in sympathy, but the Chart, if carefully followed, will indicate when to stop your losses. At this writing, however, I frankly say that Con. Tobacco ought to be bought, as the barometer surely points to a further upward movement. As I have often said before in these articles, nobody knows what the market will do the next day. The immediate future is all that can be reckoned with to a certainty, but the Chart will show you from time to time what to do, and if you follow it, it will not be necessary to take large losses at any time.



I received a letter from one of my correspondents to-day, from which the following is an extract:

"Your Chart Guides are a good idea as far as they go. I have been keeping Charts of market movements off and on for 25 years, during periods when in a speculative humor. I would never engage in any ventures on the market whatever without first running back for some time and drawing a chart of the course which a stock or commodity concerning which I might have intentions, has been taking in the last preceding three or four months.

"But with your experience 'on the Street,' it is curious to me that you lay so much stress on this feature of the science, and so little stress on other features, appearing to forget that it is only one of very many points that must be considered by the speculator in his exploitation of the market. What does the Chart show? Only a single fact, namely—the price level. Showing this in the very best form, it is true, it is invaluable in its sphere.

"But let me suggest to you that in order to form a sound conception of the situation at any time, on the Exchanges, it is not merely important but imperative, that **all** the influences bearing on the price of an article be **weighed** and **summed up.**

"Below I give you a hint of what I mean. Choosing for example, a stock which is a standard, Chicago, Milwaukee & St. Paul, let it be considered with reference to the Bull and Bear points that affect its value. We make a table, therefore, as follows:"

Then follows some good, sound advice on how to keep points on different factors which would have a tendency to influence prices or affect the intrinsic merits of securities, and would be well worth publishing were it not for the fact that the writer insists upon secrecy regarding his plan to tell whether to buy or sell stocks. My friend, like many others, does not seem to comprehend the real meaning of Chart movements, and although I have endeavored to make my points as plain as possible, it seems that they are continually misunderstood. **The main thing to remember in connection with Chart movements is that it is not a system that can be followed by a blind man, nor are there any infallible rules which can be relied upon, but by keeping Chart records of stock movements, we are able to discern at a glance the supporting and liquidating points,** regardless of intrinsic merit, actual conditions or the interests which are accumulating or selling stocks. All we know and all that is necessary for a successful trader to know are the points at which the inside interests are buying stocks or the points at which they are selling stocks. When you know this one feature to a certainty, if you cannot make money in speculation, you are better off on a farm or in a blacksmith's shop.

Another point that I wish to call to my reader's attention is that **old movements are not so reliable as new movements,** and the newer they are the more reliable they will be found. For instance: Double bottoms made on the same day are much more reliable guides in my estimation than those that were made three or four weeks previous; and another point that should not be overlooked is the general market tendency. For example: On last Monday the whole market was very weak and the selling was heavy on the declines in most every stock on the list, and while many stocks declined to old bottoms, it was not policy to buy them there from the fact that the balance of the market was so decidedly heavy the chances were in favor of prices going lower or in other words through the old low points.

LEWIS C. VAN RIPER,
11 Broadway, New York.

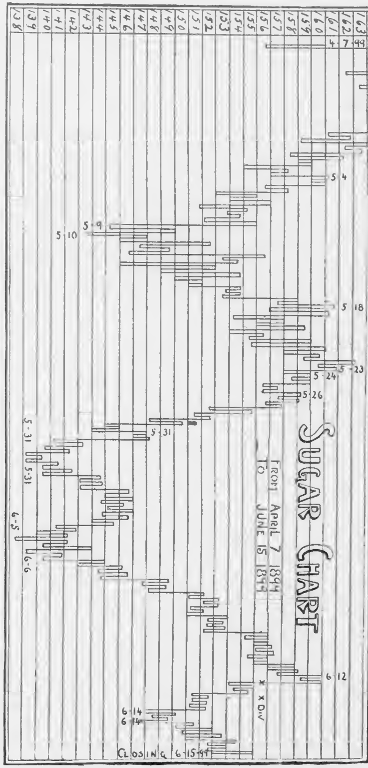
June 3, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

The accompanying Chart shows the fluctuations which have taken place in Sugar since the last Sugar Chart was published in the *Ticker* bearing date of March 27th (see page 79), or, in other words, is a continuation of that Chart. Careful observation of these movements will show you that a carefully prepared Chart is a valuable aid to the speculator. Look at the triple tops made at 169¼, and the six point reaction which took place, followed by double bottoms, and afterward double tops again at 172¾, which occurred April 25th and 26th; after which a four point reaction took place, followed by a third top at nearly the same point, but stopping lower down, which was indicative that the bull movement was over. After this each top, almost without exception, stopped at a lower level, and the declines extended further. This bear wave continued until it culminated in an extreme move-

ment. which was not checked until the price declined to 145¼. Here a five point reaction occurred, followed by a nervous, hesitating market, which failed to indicate much of anything for a few days; but after the second up-



ward movement to 152½, it was plain, by close observation of the Chart, that liquidation was over for the time being, and that stocks were again being accumulated by strong interests. Then on the next downward movement, or the second one, purchases should have been made around 146, and held until double tops were registered above 161. Here appeared to be a liquidating point, and sales should have been made around that point, and purchases on every extreme double bottom which occurred thereafter. In this way large profits could have been taken with very little occasion for losses at all, but even if one makes a mistake, by watching the Charts you are always able to limit your losses. After the next movement to 161 the market had a great many evidences of strength at times, which were intended to fool the average speculator, but liquidation was steadily taking place around this figure, as you will see from the fact that each upward movement failed to go as high as the one previous. In other words, around this price the supply

exceeded the demand, and the load soon became too heavy to carry, resulting in another extreme movement to 139⅜. Here double bottoms again occurred, and also continued to be made on each advance, resulting in double tops at 147 on June 2d, and a further liquidating movement that carried the price to 138½. And although double bottoms were not made at exactly this price, they were again in evidence around 140, so that there was no excuse for anyone refusing to take profits on the short side higher than the latter figuure. Here again each top went into new territory, and the bottoms continued to work to a higher level. This continued until the old liquidating point of 161 was again seen, where exact double tops were again made on June 12th, followed by another liquidating movement to 147¾, when the market again changed its course, the turning point of which was apparent around 150; and although the upward movement was not so prominent as those previous, owing to the dull state of the market, the same features prevailed, and double tops were made between 155 and 156, where another liquidation movement appears to have set in. At this writing Sugar is selling between 154 and 155, but another top was made early to-day at 155⅜, which would indicate to me that Sugar is a sale for a turn. I therefore sold Sugar at 155, and am still short of it. Now, I do not know what Sugar is going to do to-morrow, but I do know that if the price is advanced to 156¾ or 157, I will buy in my short Sugar, and either go long or wait for further indications. One thing I am confident of, and that is that the Chart will show me which way the wind is blowing, and that I will be ready to take advantage of the next movement as it occurs. I merely mention my own operations to serve as an illustration to the readers of this article.

If you do not believe in Chart movements, just watch Sugar for the next few days, and note the first extreme double bottoms which occur, should the price decline, which will be the place to take profits. On the other hand, should the market advance well beyond the high point of yesterday, and to-day remember that the largest loss it will be necessary to take will be not over two points, and if the market should look unusually strong at that time, it will be the place to buy for the long account. In this way, while it is not possible to make profits all the time, the losses are small and not nearly so numerous as the profits.

Another feature that I have recently observed regarding Chart movements is the fact that after an extreme downward movement occurs, where double bottoms are registered and an advance of several points takes place, double tops made at such a low level are not nearly so reliable to sell on as when made on an extreme upward movement, and vice versa. In other words, the relative market values of stocks must be taken into consideration at all times. For example: It was almost absolutely reliable to sell Sugar on the double tops of June 12th, at 161, while after the fourteen point break, which occurred, it would have been foolish to have sold it on the second upward movement to 151½ because Sugar was then at a very low level comparatively, and in the former case it was at an old liquidating point and selling at an unusually high price.

Another thing that the speculator should remember is that you cannot take advantage of each small movement, because your commissions and the disadvantage of getting in and out are usually worth half a point to you for each turn made. The trouble with most of us is, we speculate too much and try to be in and out several times each day and the consequence is that we are only making commissions for the broker. **The man who will follow Chart movements for long pulls will make big money in speculation.** There is no doubt about this, and if you are willing to be convinced, all that is necessary is to follow Chart movements carefully for a time. They are the barometer of the stock market and indicate the liquidating and supporting points at all times.

June 16, 1899.

LEWIS C. VAN RIPER,
11 Broadway, New York.

CHARTS AND THEIR USES.

(From Wall Street Ticker.)

The accompanying illustration is a continuation of the movements of B. R. T. since March 30, 1899, on which date the TICKER published a B. R. T. Chart, and in the article accompanying that chart, (see page 81), I called attention to the double tops which were made at 136¾ on March 29th and 30th, and told my readers that was the time to take profits. In less than one week thereafter you will note that a thirty point decline took place (see page 83), immediately succeeded by a sharp advance when prices again stopped at the same point, followed by a second, third and fourth movement to that point. Then double bottoms were made at 125, a decline of ten points, and another upward movement followed, making double tops between 133 and

134, after which each advance stopped lower down, and prices continued to work lower with sharp reactions until the death of Ex-Governor Flower, when an eighteen point break occurred. Here triple bottoms were made at par, and although all three movements were made in one day, they were just as reliable guides. In fact I have found that the more recent the movements are the more reliable they usually prove and especially so on extreme movements. On purchases made around this price profits should have been taken around 109, as soon as the advance appeared to be checked, and double tops were registered there. Then on the double bottoms at 107, purchases were again in order and there was no occasion to take profits here until the market advanced to near its normal level, or in other words, where the

market stood at the time of Mr. Flower's death. Here liquidation again occurred, and it was evident to Chart readers at a glance, resulting in another severe reaction with double bottoms, occurring around 105, after which each advance, almost without exception, worked into higher territory, and reactions were checked each time at a higher level, indicating that heavy interests were again accumulating stock.

Although the market has been very dull for the past two weeks, note the double tops in Brooklyn which have recently occurred between 118 and 119. Here was your cue to sell every time the market advanced to this level.

Doubtless some will say that it is easy enough to tell afterward what should have been done, which is, of course, true, but I do not confine my articles to past movements entirely, as you will see by looking up my article last week on Sugar. Whether or not my predictions were reliable on Sugar in that article you are able to judge for yourself. The Sugar that was sold at 155 last week was covered to-day at 148¼-⅜, which was a double bottom, Sugar having sold yesterday at 148¼. Here we also bought Sugar for the long account, and at the close of the market have three points profit. Now, I do not know how long to hold it, but should the market unexpectedly turn weak and Sugar declines, I would stop loss at not more than a half point below the purchase price.

I would advise traders to never count their profits until they have them. In other words, just because a stock has gone in your favor, do not figure that you have so much profit until you have closed the trade. I, for one, believe in holding for large profits when the chances are in my favor, rather than to take small profits at such times. **The trader who cannot stand prosperity is just as bad as one who cannot take a loss,** and if you are going to run away from a profit, you will stand a very poor chance indeed to ever make big money in Wall Street. **I believe in limiting losses and allowing profits to run, adding to purchases or sales on the reactions in a conservative way.** By operating in this manner, there are opportunities once or twice a month when big money can be made, and you can afford to wait a long time for these movements if necessary. There is no use in trying to scalp out eighths and quarters and pay commissions, because the chances are that you will get the worst of it in the execution of your orders many times, and this, added to commissions, makes it quite an item. It is always policy to stay out of the market when not positive regarding your position. When you are out of the market you are not going to lose any money and your capital is always intact to take advantage of favorable opportunities when they occur. It is better to wait than to be sorry. Even though you do miss some good chances, there is no occasion to feel bad about it on this score, whereas, if you make a mistake and lose your capital, you have every reason to feel badly disappointed. I wonder how large a percentage of my readers have lost more money in operating in Wall Street than they have ever made? Did it ever occur to you that money can be made just as rapidly as lost, provided you get on the right side of the market and have courage enough to stand for big profits.

By following the above suggestions there will be days and sometimes weeks when you will not make any money, but when you do get a chance at the market, you will make enough in one turn to pay you well for waiting.

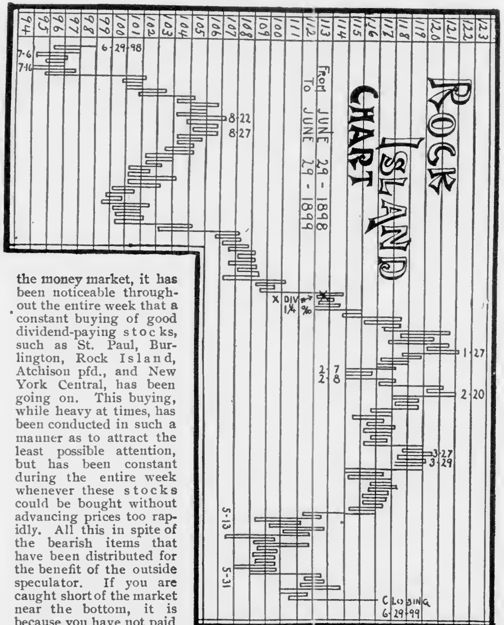
Lewis C. Van Riper,
11 Broadway, New York.

June 23, 1899.

CHARTS AND THEIR USES.

(From Wall Street Ticker.)

The action of the stock market during the past week has furnished a good object lesson for traders who are liberal minded enough to benefit by the same. In spite of a heavy gold export movement and a sharp flurry in the money market, it has been noticeable throughout the entire week that a constant buying of good dividend-paying stocks, such as St. Paul, Burlington, Rock Island, Atchison pfd., and New York Central, has been going on. This buying, while heavy at times, has been conducted in such a manner as to attract the least possible attention, but has been constant during the entire week whenever these stocks could be bought without advancing prices too rapidly. All this in spite of the bearish items that have been distributed for the benefit of the outside speculator. If you are caught short of the market near the bottom, it is because you have not paid attention to Chart movements. Although, as above stated, the information furnished to traders has been decidedly bearish, the charts positively show the beginning of another upward movement.



Look at the accompanying chart on Rock Island, and note how similar the present movement appears to that which took place last July and also the movement which occurred in May last year. Croakers who tell you that the bull movement is over will soon see the folly of their ways. Aside from chart movements, I am confident that we are only in the midst of what will be known as "the great bull movement of 1899." Good times come to us at almost regular intervals and these periods do not come all at once, but require several years in which to spend their force. In other words they are merely the result of improved conditions which have been gradually working for the better for several years, so the effect must also cover a like period. Perhaps prices of securities are high enough at present, but they are just as sure to be as much too high before the movement is over as they were too low before its beginning. Although the bull movement of 1879 was considered sensational and unusual, prices continued to work to higher levels for several years thereafter, and at the beginning of 1882 values were much higher than was the case at the end of the year 1880. In other words from 20 to 40 per cent. was added each year to the value of securities until the Grant-Ward failure of 1884. Although the market suffered severe reactions on this occurrence, there was a gradual recovery and prices remained exceedingly high until the Baring panic of 1890, after which a downward movement set in which continued until 1897, nearly seven years.

But I am digressing from my subject. I merely mention the above to illustrate the fallacy of looking for an extreme bear movement at this early day. Candidly I am of the opinion that we are now on the verge of another extensive bull movement. My opinion for this is founded solely upon the excellent buying which has occurred during the past week or two, and the appearance of the chart movements not only in one stock, but throughout the entire list, with the exception possibly, of a few Industrials. **Every one of the standard stocks, such as the Grangers, Vanderbilts, and even the Pacific stocks, show decided double bottoms and a positive upward tendency.**

Of course, in making these statements, I wish my readers to understand that this opinion is subject to change at any time, this being merely the way I feel at this writing, but I am sure that should the movement prove to be merely a false one, the charts will show very plainly in time to prevent myself or my customers from making serious losses. If I am right, however, in this calculation, now is the time to buy stocks on the reaction and to keep on buying them for several weeks to come, and should my expectations be met with in the coming movement, a few hundred dollars invested now, in a careful way, will bring returns of thousands inside of three months.

I am fully aware that many honest people are inclined to look upon Wall Street operations as purely gambling, but nothing is further from the truth. If you are a merchant, you watch the time of year when you can buy your merchandise to best advantage, and also aim to stock up with certain classes of goods at such times as you know these particular articles are likely to be in most demand. I might just as well tell you that you are gambling in doing this, because you do not know how much you are going to sell or whether you will have to carry part of your stock over until it gets out of date and becomes a drug on the market. You, of course, would retaliate in telling me that I must attend to my own business. Likewise, when I hear people throw out slurs against Wall Street operations I naturally put them down as narrow-minded, or entirely out of their element.

There is no reason why Wall Street operations should not be carried on in a careful and business-like way any more than there are reasons why you should neglect to supply your store with proper and seasonable goods, and I do not know of any way by which money can be made so easily and quickly in proportion to the amount of capital invested as can be done by careful and conservative operations in Wall Street.

In case the present movement does not continue and end in a big upward turn, the time when this will occur is only deferred for a few weeks at the furthest, but unless positive double tops occur very soon and the market hesitates around these points, my advice to the reader is to buy Rock Island, B. Q., St. Paul, Atchison, pfd., the Northern Pacific stocks, Missouri Pacific, and several other good dividend-payers on each recession and continue adding to these purchases on the way up. Do not think of taking one point profits. If you do, you will never make a big winning. If you follow this advice, however, do not forget to watch the chart movements for indications as to points at which to take profits. If you do not understand these movements thoroughly, I will be pleased to aid you in any way possible, and will carefully answer all correspondence in this line.

LEWIS C. VAN RIPER,
11 Broadway, New York.

June 30, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

In my last week's article I called attention to the good buying which had been going on for the week previous in standard railroad securities, and gave as my candid belief that we were again on the verge of an extended bull movement. The results of the week just past have fully borne out these predictions, and at this writing I am even more confident as to the future. Although the advances which have taken place have not been extensive they are highly encouraging, and the action of the market shows the hand of expert manipulators. You have probably noticed that while the old standard stocks, such as Burlington, St. Paul and Rock Island, have not advanced materially during the week, other stocks have been taken up, such as Atchison preferred, Manhattan, T. C. I., and Louisville, while some of the Industrials also begin to show large improvement.

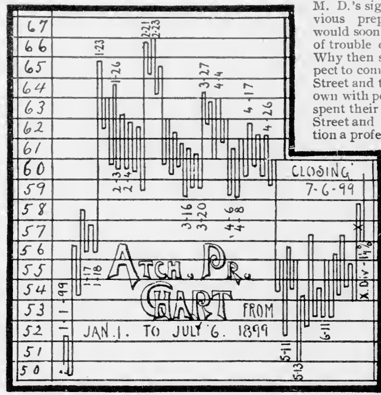
The beginning of a bull movement reminds one of a field of wheat just starting to come up from the ground. First one blade shoots up and then another, and although the growth is always slow and irregular at the beginning, this effect soon wears away and is followed by a general growth which becomes very rapid and spontaneous toward harvest time. Harvest time, when used in connection with a bull market, is at that period when the advances have culminated and stocks are beginning to show double tops. Here is the time for the shrewd speculator to take profits. These movements do not, however, take place in one or two days any more than does a blade of wheat secure its growth in a like period, but require months in which to spend their force.

I have illustrated this week the movements of Atchison preferred since January 1, 1899, previous to which period, or, to be exact, on September 23, 1898, this stock sold as low as 31⅝, followed by a three point advance, and reacting in October to 32¼, at which point positive double bottoms were made, which was the beginning of the big bull movement, continuing during November, December, January and part of February, when double tops were made at 67, or an advance of more than 100 per cent. This movement was very plain and positive, and to well-posted chart readers there was no way by which a mistake could have been made.

After the double tops above referred to occurred, the liquidating movement continued, with occasional sharp advances, until around the first of June. Then triple bottoms occurred at 53¼. Here accumulation again took place and the market gradually worked to a higher level, until insiders had secured enough stock to warrant them in starting an upward movement.

The appearance of the chart will show you that the tendency at this writing is decidedly upward and the movement so far is similar in every respect to that which occurred last Winter.

In my last week's article I told you that nearly all of the active stocks showed double bottoms and a positive upward tendency. **Now if you have any reason to doubt the reliability of chart movements as a guide to speculative operations, make a note of last week's letter and follow the stock market for the next few weeks.** Of course, you would like to make money in speculation because when you are on the right side of the market it is made so easily and quickly, but you, perhaps, have had unsatisfactory experience like most of us. You forget that speculation is a study and profession, just the same as practicing law and medicine. If you were to hang out an M. D.'s sign without previous preparation, you would soon have all kinds of trouble on your hands. Why then should you expect to come down to Wall Street and try to hold your own with people who have spent their life time in the Street and made speculation a profession?



While chart movements are plain enough to those who have studied them carefully, there are many features that must be considered in connection therewith in order to operate successfully at all times, and it is simply impossible for one to understand all these features without some training. Do not for a moment have an idea that the charts are going to influence the stock market. If I were worth ten or twenty millions I would pay no attention to chart movements whatever in my operations, because I could then lead the market and manipulate stocks to suit myself just the same as the big fellows are doing daily. However, as I must continue to be satisfied with my lot for awhile and merely operate as a trailer, I shall continue to watch chart movements because they show the liquidating and supporting points of the big operators, and I do not know of any other means by which one can keep in touch with what the insiders are doing more closely than by keeping carefully prepared charts on all active stocks.

I again give it as my candid opinion that we are just at the beginning of another extensive bull period, and I would not be surprised to see the advances which are to take place in the future be even more sensational than those which occurred on the last upward turn and I believe that opportunities for profitable speculation were never greater than those which are before us at the present time.

The buying which occurred to-day in Atchison pfd. was in every way similar to that which took place on the extensive advance in this stock during November, December and January, and the chart, as you will readily see, indicates fully as positive a movement now as occurred then. Of course, you must watch the chart closely for the liquidating point, which will be readily apparent when it comes, just the same as it was around the latter part of February and first of March. Of course, no one knows how far this movement will go, but you must watch the charts and the volumes, and in this way it will be possible to detect the place at which to take profits.

It has been suggested to me several times that I am making a mistake to write these articles illustrating chart movements, because it will educate others to operate according to chart movements, and in this way have a tendency to make charts less valuable for my own operations. I do not, however, look at it from this standpoint, but on the contrary I believe that the more people I can get to follow these chart movements, the more reliable they will be for the trader, because each transaction will have its effect on the market; and besides I am only too glad to render any assistance to the outsider when possible, because I know the experience of most of the small operators has been far from satisfactory, and in the end most of them have left their money in the hands of the Millionaire Wall Street operators, and it will do me good to see them get it back.

LEWIS C. VAN RIPER,
11 Broadway, New York'

July 9, 1899.

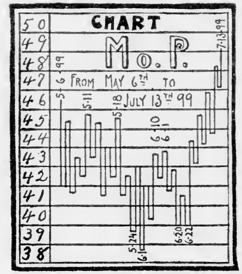
CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

The stock market during the past week has furnished plenty of examples showing the value of carefully prepared charts to the speculator. You have no right to become either a chronic bull or a pessimistic bear, but if you are going to be successful in speculation, you must be prepared to change your position at all times regardless of your wishes. Too many traders allow their operations to be influenced by their desires rather than to turn and follow the market. **Last Saturday's unfortunate bank statement checked the bull enthusiasm for the time being, causing a temporary set-back in most of the active stocks, and after the reaction which occurred Monday double tops were registered in many of the active stocks, indicating that further reactions were in order before the bull movement was to be resumed.**

In my last week's article I illustrated by chart movements Atchison preferred since the beginning of the present year and said that the appearance of the chart would indicate the tendency of the stock at that writing was entirely upward, and the movement so far was similar in every respect to that which occurred last Winter. I also reminded you to watch the chart carefully for further indications. At the time that article was written Atchison preferred was selling at 60¼, but advanced before the close of the week to 62⅝ on heavy transactions. Of course, there was no indication here by which one could take profits, but a three-point reaction followed this movement early in the present week when nearly double bottoms were made between 59 and 60. Here more stock should have been purchased, because

it was almost positive that a double top would be made. This top occurred on Thursday of this week, when Atchison preferred sold at 62½. Here all of the long Atchison should have been sold out and sales made for the short account; but had the price gone well beyond that point, or above 63, it would have been advisable to have bought in short stock. However, this did not occur and does not occur once out of five times on the average. I have no doubt that we will see another bull movement inaugurated very soon, but it would not be advisable to buy this stock until the price has gone beyond the old high point, unless it should make double bottoms around 160, when it will be a purchase again. In making this statement it does not follow that you can continue to buy Atchison at this price and sell it at 62½ forever, but you must watch for new movements. As I have said many times, charts do not regulate the stock market, and the price is just as sure to break through these high points sometimes as it is to break through the old low points. Both will happen in all probability, and you must be ready to change your position at any time.



I often get letters from people stating that they have endeavored to follow chart movements and blaming me for their losses. Not very long ago I received one of these from a party in Cleveland finding fault with chart movements because they told him to buy T. C. I., when it went above 65, and stating that he bought it at 65½. It afterward reacted a point or two and he was very sick. Although I have not heard from him since, he probably closed out at a loss. This is the trouble with most speculators. They expect the market to go their way right from the minute they get in, and have not nerve enough to stand a point or two reaction. Had he followed the chart properly, he would have held this purchase until double tops were made around 71.

Here is a sample of another letter just received and is a fair example of how the average speculator trades:

"Churchville, N. Y.

"Lewis C. Van Riper:

"Dear Sir.—I have been trying your method of speculation according to charts showing double tops and double bottoms and thought I would give you the result. I selected St. Paul and sold it short at 127⅜ on the 10th of June last because this figure was a double top corresponding to the 127⅜ reached on May 2d. I soon saw that I was wrong and after it had gone nearly a point against me I reversed my position according to your advice and took the long side, when lo and behold! I was on the wrong side again, as the stock after reaching 128⅜ immediately declined and I was compelled to take another loss, being whipsawed. I determined to try it once more, however, and when on the 26th of June the stock again reached its double top, 128⅜, I sold it short and the next day took my loss like a man. On the 5th of July the stock reached another double top, 133¼, but my previous experience had been too discouraging to permit me to take advantage of the opportunity which was the only one presented in which your method would have worked.

"Yours, etc.,
F.G."

In the first place you will notice, if you are keeping a chart, that he selected an old intermediary top to sell on which really was not an extreme top, but merely a fluctuating point recorded on the bear movement which occurred early in May, and there was no excuse for selling at this point in the first place. Besides, at the time he selected to sell, the chart indicated very plainly an upward tendency. Triple bottoms had been registered and each reaction had been checked at a higher point for several days, but even after having made this mistake to sell St. Paul short at 127⅜, he did the proper thing to cover it and go long, but there was no excuse for getting scared out of this purchase, on a slight reaction, as the movement was decidedly bullish and the fact of prices passing these old high points proved that any reaction which occurred would be only temporary at least. On the next upward movement which was followed by a slight reaction, he should have doubled up his holdings and bought more on the way up in proportion to his margin, selling the same out at the old extreme high point of 133¼, or in that neighborhood. Of course you cannot expect to get the extreme top every time. I sold my St. Paul on this movement at from 132⅞ to ⅝, but could have done a little better had I acted promptly. It was absolutely safe to sell St. Paul here from the fact that it was the old extreme high point, and even had the price gone higher, it was sure to come back again to this point, giving you an opportunity to repurchase at that price, but as is usually the case, a sharp break followed within a day or so, giving one an opportunity to repurchase at the last buying bottom at 129½. This writer admits that he lost courage and did not take advantage of the opportunity when it came. In reality 133¼ was the only reliable place to sell this stock from the fact that the other points named were merely fluctuations and not extreme movements. Had he sold short here, he would have made enough out of the one transaction to a great deal more than offset his losses on the other, even though he did not act according to chart movements in connection with those trades.

I have illustrated this week the movements of Missouri Pacific since the last chart of this stock was published in the *Ticker* on May 5th. Readers who have back numbers of this paper can place the two together and thus have a continuous chart of this stock. I also wish to call attention to my article written on that date (see page 93) wherein I called attention to the double tops registered at 52½ and told you that this was the place at which to take profits and go short. Now those who sold the stock short at that time will notice by the accompanying illustration that there was no indication of double bottoms until prices had declined below 42, or over ten points, where short sales should have been covered. Here the decline was checked temporarily, and after several erratic movements of several points, fluctuating between 41½ and 45½, at either of which points purchases and sales could have been made with handsome profits, there was a further severe reaction to 38¾. **Insiders were apparently picking up the stock here for several days and double bottoms were later registered on June 20th and 22d at 40.** Here was really the place for the outside speculator to come into the market and accumulate stock. Since that time there has been no indication of a selling point, but, on the contrary, on each reaction further purchases were in order, and from the appearance of the chart I would say that the bull movement is still on in this stock. However, as in the case of Atchison preferred, I would advise the speculator to watch for positive double tops on which to take profits; also for a place to sell short, because money can be made even more quickly on the short side at the proper time.

LEWIS C. VAN RIPER,
11 Broadway, New York.

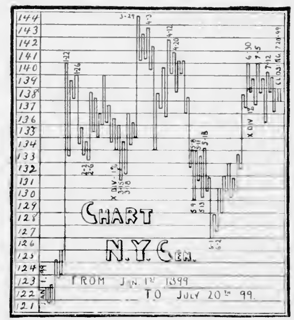
July 14, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

It is an old and true saying that history repeats itself. What has happened before will happen again. The use of charts as a guide to speculation is based on this saying. While it would be foolish to assume that everything that has occurred in the past will occur again in the future, it is certain that past events form an accurate index as to what is coming next. A chart shows at a glance the past movements of the stock, and to the close observer shows the probability of the future course of the market. By observing a chart covering, the movements of any stock for a period of several years it is easy to see that, as a rule, certain movements are followed by certain other fluctuations. In other words, after a stock has reached certain figures under certain circumstances, the chancesore that this movement will be repeated under similar conditions. This second movement is not inevitable, but it has a strong probability.

The person who would utilize charts in his stock operations must often be content to play a waiting game. He can't be in the market all the time. He must wait until the chart tells him to act, and then he must act with promptness and must have the nerve to await results. He must not be scared if the market goes against him a few points. No system has ever been devised that is infallible, and none ever will be.



While it is essential that the man who utilizes charts must have nerve, it is equally essential that he should not be pigheaded. He must be able to change his mind at a moment's notice and to alter his trades accordingly. And, above all, he must be willing to accept a small loss when he sees that he is on the wrong side. The man who uses charts successfully is neither a bull or a bear—he is both. He must be content to let others control or attempt to control the market while he follows and reaps his little profit whether the stock goes up or down.

The accompanying chart of the New York Central, which covers the fluctuations since January 1, illustrates in an effective way the advantages of the use of the chart. Early in January there were double bottoms formed near 122, and then the upward movement came, which culminated January 22, at 141. There was a recession of 7½ points, and on January 26 the second double top was formed at 140, only one point from the previous top. This was clearly the time for taking profits and for selling short. The double bottoms made between 133 and 134 showed where to buy again.

Following this there were a number of movements between these two high and low points, which could not be utilized except by the man who was close to the market and could take advantage of fluctuations of two or three points. Another top was formed at 140, which was a clear signal to sell short again, and stocks so sold could have been bought in on March 15 at a profit of 8 points. On March 18 three double bottoms were formed again, and another upward movement started, which formed a new top for the year on March 29 at 144¾. The tops formed thereafter were not so high and the bottoms, when the movement was of more than a point, were almost invariably lower. This showed a general downward tendency of the market and stocks sold short at any of these figures soon showed a profit.

The triple tops formed on May 8, May 11 and May 18 at 134, again indicated that New York Central was a sale. Five or six points profit was then in sight for any speculator who watched this chart closely and took advantage of the information it gave him. The downward movement culminated June 1, when the stock reached 127, and then rallied nearly 2 points. The next day a bottom was formed at 127½, and since then each successive bottom has been higher than its predecessor, and each successive top also made a slight advance. Double tops at exactly 141 were made June 30 and July 3, and on July 12 the stock sold at 140¼. This showed positively the place to take profits.

At this writing the chart indicates that New York Central is a waiting game. Should it go above 140 it will be a sale, but if it passes 142, stock sold short should be bought in, the necessary loss should be smilingly accepted, more stock should be accumulated and you should wait for the profits that will surely accrue. The chances are, however, that there will be numerous fluctuations between 136 and 140 before either of those figures are broken.

It should be borne in mind that a chart will not tell now what the market is going to do next Winter, nor next Spring. It merely indicates the movement immediately following with certainty, and has little or no relation to transactions that are several weeks or months old. In fact, as I have previously said, the more recent the movement the more reliable is the chart. In stocks that are not particularly active a longer time may elapse between the first movement and the second or third. I have found that a chart is of great value in recording the daily fluctuations of a very active stock and double and even triple tops and bottoms are often formed within an hour. Such was the case with B. R. T. on the day following the death of Governor Flower. Triple bottoms were formed near par, thus showing positively the point at which effective support was to be had and no hesitation should have been shown in buying the stock at as near that figure as possible. Every-one knew that the death of the great bull leader would depress B. R. T., but few knew to what extent. The men who kept charts that day and observed the triple bottoms gained that information.

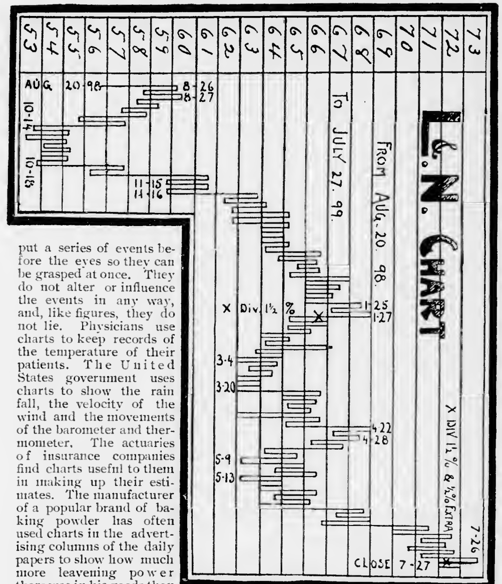
LEWIS C. VAN RIPER,
11 Broadway, New York.

July 21, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Charts are as old as civilization and the man who first utilized them has been dead for a long time. They are useful because they show at a glance what it would take a long time to understand if shown by figures. They



put a series of events before the eyes so they can be grasped at once. They do not alter or influence the events in any way, and, like figures, they do not lie. Physicians use charts to keep records of the temperature of their patients. The United States government uses charts to show the rain fall, the velocity of the wind and the movements of the barometer and thermometer. The actuaries of insurance companies find charts useful to them in making up their estimates. The manufacturer of a popular brand of baking powder has often used charts in the advertising columns of the daily papers to show how much more leavening power there was in his goods than in that produced by his rivals. In fact, charts have been used in hundreds of cases where it has been advantageous to compare a series of figures with themselves or with another series.

The use of charts in speculation is not a new thing and I do not claim to be its originator. I have read everything that others have written on the subject that I could get hold of, and to the knowledge thus obtained I have added much that I have learned through observation and experience. I will frankly admit that some of this experience cost me considerable money, but it was worth what I paid for it.

The man who would get the most out of charts must not be content at keeping a chart of the one or two stocks in which he may be interested. He should keep charts of all the active stocks whether he trades in them or not, and he should watch each of them closely and compare them with each other daily. While it is true that as a rule the stocks rise and fall in harmony, there are many instances in which a particular stock may be a few points in advance of the rest in a bull movement or a few points behind. It is important to know what the other stocks are doing when one stock makes a new top or a new bottom. **It is not always safe to rely implicitly on one chart. For instance, it is safer to buy B. R. T. on an indicated bull movement if the same indications are found in the charts for Rock Island, Sugar, Metropolitan, Manhattan and four or five other leading issues.**

In presenting the accompanying chart of L. & N., I show a stock which moves slowly and deliberately. There is nothing of the sky-rocket about it, and it always offers opportunity for the execution of stop loss orders. While it has been fluctuating only a few points at a time within the past nine months, it has covered a range of 20 points, but to do this it has traveled more than 150 points up and down the scale. The record of L. & N. for three years is interesting as showing the narrow bounds within which it moves. In 1896 the low point of the stock was $37\frac{1}{8}$, while the high was $55\frac{5}{8}$, and in 1897 it ranged from $46\frac{1}{8}$ to $63\frac{7}{8}$. Last year the figures were nearly the same, being from 44 to $65\frac{1}{4}$. The lowest figure shown on the chart for this year was 63 on March 6, while the highest was $73\frac{3}{4}$ on July 26. It will thus be noted that L. & N. is in new territory now as the stock has not sold above 70 before for several years.

The five bottoms formed near 54 last October, which followed the downward movement extending for a period of two months during which there had been a recession of 6 points, formed a safe guide for buying. After five trials the stock could not go lower so it was evident that it would move upward. It is easy to compute the profits on 100 shares bought then and held for thirty days.

During last December L. & N. was quiet, and its movements were not important, but in January the fluctuations assumed a more definite character and when taken in connection with those of December, a bull tendency was clearly shown. The tops gradually sought a higher level, and the recessions were checked before the previous bottoms were reached. The chart forms a step ladder with a steady climb until 69 was reached Jan. 27. A drop of more than three points occurred here. According to the usual practice a man would have been justified in buying on this decline anywhere between 66 and 67, but when the stock kept going down and broke through 66 the chart trader should have turned about, sold his entire stock, taken the loss smilingly and sold short. The man right on the market and in close touch with his broker could have scalped several nice profits while the stock was creeping downward until the triple bottoms were formed in March at 63.

This was the signal to buy again and to buy liberally for an upward pull. Once since then the stock has touched the same figure and three times it has come within a fraction of it. At any of these points a purchase was in order and could have been made with almost a certainty of a profit and with a certainty of a small loss if any, because the stock should have been sold again if [illegible] the previous bottom. **Another place when buying was in order was when the stock crossed 69 in June. It has not gone below that figure since and the movement during this month clearly shows the upward tendency of the stock and of the market. At this writing the chart says that L. & N. is going up.**

Having gone into entirely new territory now there is no way of telling when the upward movement will terminate. It may go on until L. & N. reaches par or it may sag backward. But it is safe to buy it on any recession of a point or two until the tops begin forming a stairway leading downward instead of upward. And when the bear movement comes—if it comes at all—the trader who watches his charts closely will be able to close his purchases to good advantage.

While the stock has offered many opportunities for safe trading on the long side of the market it has shown just as many chances for selling short. In fact, when the chart tells you to take profits it also tells you to sell short. The upward movement which gives you a profit is followed by a downward swing that can be utilized just as profitably.

I should be glad to hear from others who have been using charts either successfully or the reverse. Any suggestion of value that others can make will be gladly received and I will also answer inquiries regarding charts, and perhaps I will be able to explain why losers have lost. All inquiries will be treated as confidential. If you have ideas of your own that you think are good, or if you want to ask questions, write to me.

Lewis C. Van Riper,
11 Broadway, New York.

July 28, 1899.

CHARTS AND THEIR USES.

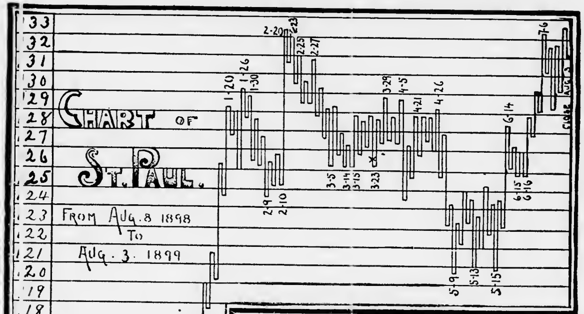
(From Wall Street Ticker.)

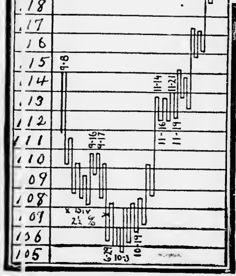
There are lots of folks who are always ready to give advice and this may be the reason that advice is said to be cheap. You have only to acknowledge that you are in trouble to find plenty of eager friends who will tell you how to extricate yourself. These friends will unhesitatingly tell you how to cure a cold, the best method of preparing a cocktail, how to run a sweetheart or lose a wife, the best place to catch fish, or how to make a fortune in Wall Street. All this advice will be offered freely and will not cost you anything—unless you follow it. When it is followed it often proves to be very expensive.

A chart is one friend that is not always prepared to tell you what to do. It does not have advice always on tap and the closest student of charts is often unable to say whether he is a bull or a bear. At such times he follows the golden rule as given in "Ins and Outs of Wall Street," and does nothing. He simply waits until the market shapes itself so that the chart unquestionably advises him to buy or to sell. Charts can be utilized in a quiet market, but only in a quiet way. When stocks are fluctuating only a few points each week the market does not offer the opportunity for profits that it does when values are sliding up and down the scale. With the market offering fewer opportunities it is perfectly natural that the charts should reflect this condition.

A very good illustration of the meaning I wish to convey is shown in the accompanying chart of St. Paul. The bull movement which began last November and which culminated late in January is beautifully shown on the chart and the veriest novice would have understood the meaning of that ascending stairway of tops and bottoms. As a rule the reactions on that

rise of 17 points were only 1 point and the bottoms formed were almost invariably higher than the previous tops. Nothing was plainer than the fact that this was the time to buy the stock and to buy liberally. The four tops formed during the last ten days of January in the neighborhood of 130 indicated just as clearly the place to take profits and a further profit of 4 or 5 points was to be made by selling short.





The downward movement stopped at 124½ on February 9, and the next day double bottoms were formed at 125¼. Here was the place to buy again, and ten days later there was a profit of $8 on each share thus secured if sold at the highest point reached. Few traders would have been so fortunate as to sell at that point, especially as the tops formed thereafter were not so high, and they would have to content themselves with a profit of perhaps seven points. The bear movement that followed this high water mark for the year ended early in March, when triple bottoms were formed at a fraction above 126.

The course of the market for the next month was uncertain and the chart trader was forced to play a waiting game. To be sure there were opportunities for small profits and the double tops formed on March 29 and April 5 showed a selling point, but no definite swing on the market was indicated until May, when triple bottoms were formed near 121 with movements of 4 points between them. Nothing in the stock market could have been more certain at that time than that St. Paul was not going much below 121. The chart did not say at that time that in July St. Paul would duplicate the high top of last February, but it did say that it was a buy and would certain-

ly give a few points profit. If the fortunate buyer of St. Paul at 121 held onto his stock until the chart told him to let go, he sold it this week in the neighborhood of 133, because this is the first time that a sale has been indicated. To be sure double tops were formed between 128 and 129, but between them were the double bottoms at 125⅞ formed June 15 and 16.

I presume that readers of these articles are anxious for me to tell them what I think will be the immediate course of the stock illustrated. **When I wrote the article regarding L. & N last Friday, the stock was at 73, and I said that the chart indicated that L. & N. was going up. The chart was right. The accompanying chart of St. Paul indicates that the stock is a sale** or at least that it should be bought with extreme caution. My candid advice, based solely on the chart and not on "inside" information, is to let St. Paul alone for the present. **If you can't take this advice, but must do something, sell the stock for a quick turn,** but be prepared at a minute's notice either to secure a small profit or to make your loss small.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Aug. 4, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Charts have no influence whatever over the market and stocks would go up and down just the same if no one recorded them on ruled paper. The only merit that charts possess is in the fact that they show at a glance what any security has recently done. Having this information directly before you it is easier to form an opinion as to what the stocks will do next than it is when you have only a dim idea of the past price of the stock formed by reading the figures. Charts show instantaneously where stocks are and how they got there—whether they arrived at a certain figure by climbing up or by dropping down.

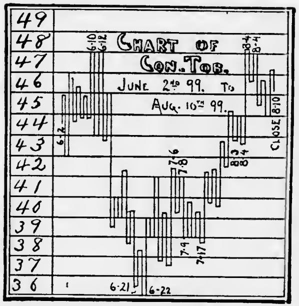
Charts will not do everything for the trader any more than a college does everything for a graduate. There are many men in the country who possess diplomas as doctors of medicine who have never successfully treated a solitary patient, and there are others who hold "sheep skins" entitling them to practice law who have never prepared a brief. No doubt there are many men who have watched charts for a time and have then essayed to make their fortunes in Wall Street and are sadder and poorer because of it. **Charts will not take the place of care and brains, they will not do it all. I insist that they will furnish a fairly accurate guide, that they will enable a trader to keep his losses small and that they are much safer to follow than the rumors and tips that are circulated daily and hourly by interested parties.**

I want to say another word regarding the importance of keeping the losses small. If this can be done the trader who makes two or three times as many losing deals as he does winning ones will still be ahead of the game. This has frequently happened to me, and I can recall instances in which the losses of five or six unfortunate trades were made up by the profits accruing from getting on the right side once and staying there.

Two months ago I presented a chart of Continental Tobacco common, showing the course of the stock from its being listed, March 15 to June 1. I now present a second chart which records the movements of Continental Tobacco up to last night. In the article I wrote June 3 (see page 100), I said: "My advice would be to buy it on any movement to below 45." **A week later the stock reached 48, and double tops were formed there on June 10 and 12.** These double tops showed where to take profits and

the advice I gave two months ago proved to be good. There was a recession a few days later and then triple bottoms were formed near 40. A period of uncertainty followed and then there was a further break and double bottoms were formed at 36½ and 36, the lowest mark reached. Since that time there have been many fluctuations in the stock, but as a rule it has followed the market upward.

The critical time regarding the market to the chart trader is when the stock is about to reach a figure it has previously reached either when going down or when going up. It is at such times that trades are to be made. It should be borne in mind that these double figures are more worthy of attention the closer they are formed together with reference to time and the further they are apart with reference to the fluctuations between. That is, double tops or double bottoms are more reliable if formed on the same day than if formed the same week, and they are of little importance when formed after an interval of several months. They are also more important if the stock has fluctuated several points between the two doubles. That is, double bottoms at 40 offer a safer guide for buying if the stock in the meantime has reached 45 than they do if the stock has only gone up to 42. Of course, everything is relative and stocks that are very active should record wider differences than stocks that move more slowly.



When a stock approaches a figure that has recently formed a top, common sense says that it is a good time to sell. Should the price go much higher than the previous figure, however, the indications change and the previous top becomes a bottom and the stock should be bought. When the stock is on the downward course and reaches a figure at which a previous recession was checked the time is ripe to buy, as the indications are that the second recession will be checked at or near the same figure, and that there will be a swing of the pendulum in the opposite direction. But if the stock breaks through the previous bottom the shares bought should be sold at once and the loss taken, as there is no way of telling when the next bottom will be reached.

Apply this principle to the chart printed on this page. On June 21 Continental Tobacco reached 36½, went up nearly two points and the next day went to 36. Here was the signal to buy and shares secured at that figure have shown a profit ever since and they made an advance of 7 per cent. with but one recession of a full point. A few days later there were similar double bottoms between 37 and 38, and the same opportunity for profits was afforded. Triple bottoms formed at 39 on July 9, 13 and 17, again gave the signal to buy. It is easy to figure the profits on a transaction made then in accordance with the advice of the chart.

After those triple bottoms Continental Tobacco made a steady upward

climb, each bottom almost invariably higher than its predecessor and each top higher. You will observe that they run in pairs though, and the places at which to buy and sell are clearly shown. There were no great fluctuations in the stock because the market has been rather quiet, but the general principles as applied to charts could have been utilized many times and in very few cases would the trader have had to accept even a small loss.

As I write this the chart indicates that Continental Tobacco is a safer trade on the short than on the long side. I do not say what the indications will be to-morrow or next day. Nothing definite can be said about it until there are more developments in the market.

In my article last week regarding St. Paul I said: "The accompanying chart of St. Paul indicates that the stock is a sale or at least that it should be bought with extreme caution. My candid advice, based solely on the chart and not on "inside" information, is to let St. Paul alone for the present. If you can't take this advice, but must do something, sell the stock for a quick turn, but be prepared at a minute's notice either to secure a small profit or to make your loss small."

Since then St. Paul has dropped below 131, and its highest point was 132½. When I wrote the words quoted above the stock was around 133. Pretty good advice, wasn't it?

LEWIS C. VAN RIPER,
11 Broadway, New York.

August 11, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

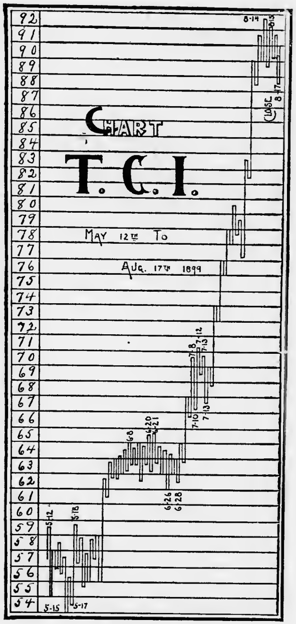
There seems to be little use for an article to accompany the chart presented on this page. Look the chart over carefully, study the double tops and bottoms and see if you can't discover many evidences that coming events in the stock market cast their shadows before. These shadows should be evident to anyone who has read the articles in the *Ticker* contributed by Mr. C. B. Greene and myself.

You will notice by referring to former T. C. I. chart on page 96 that T. C. I. closed on May 11 at 57½. In the article which I wrote at that time I said: "At this writing the chart would indicate that the downward movement is still under way, but, as I have often remarked before, there is no way of telling what it is going to do to-morrow." An inspection of the other chart will show that my surmise was correct and that the stock did continue to go down until it reached 54, which was 3½ points lower than it was when I wrote the article.

The downward movement did not continue long and its termination was clearly shown on the chart by the double bottoms at 54 and 54½ made on May 15 and 17. Thereafter the upward course of the market was plainly indicated to every student of charts.

Note the period of uncertainty while the stock was vibrating between 62 and 65. There were no less than sixteen tops and bottoms formed between those figures. This clearly meant a waiting game to the trader who was not directly in touch with the market, and showed as clearly the chance for scalping small profits to the man who had his chart book in his hand as he sat in his broker's office. It was not until the last of June that the chart began to assume an appearance which indicated that a movement was about to commence, which offered a profit of more than a couple of points. The double tops between 65 and 66 on June 20 and 21 indicated a selling point and a week later when 62 and 62½ were reached, a buying figure was estab-

lished. The trader who bought at 62½ would have been justified in selling at or near 65, but when the stock started upward again after a recession of but a fraction more than a point, and broke through the previous tops, the time to buy was so evident that the chart was proclaiming it in clarion tones. On July 12 and 13 the upward movement again started in full swing, continuing for a month with further net gains of over 25 points. There was no figure between those two points at which the chart said take profits. To be sure there were trifling recessions but a fall of one point is not significant when a stock has just made an advance of eight to ten points without a recession.



A few days ago the place to take profits was shown. The tops formed near 92 on August 14 and 15, with the recession between them of nearly three points showed that liquidation had commenced at least by some, and that no matter what the stock may do the trader should be content to take his profits and await developments.

As I write this the feeling is general that T. C. I. will go to par right away. The bull sentiment is as strong as it has been at any time during the past month regarding this particular stock and much stronger than it was when the bull movement first began. The stock may go to par—I do not say that it will not. But I do say that the chart indicates that T. C. I. is a sale above 91 and below 93. I do not regard it as a purchase except above 94 or 95, or at a much lower figure which will be indicated by the chart if it be reached. Unless double bottoms are formed again I should not buy T. C. I. for a few days.

Traders who wish to read my previous article on T. C. I. which appeared in the TICKER of May 15 can secure it by sending for the latest edition of my "Ins and Outs of Wall Street." I will be glad to send a copy free of charge on application to any reader of this article.

LEWIS C. VAN RIPER,
11 Broadway, New York City.

August 18, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Traders who have any doubts as to the value of charts and who are skeptical as to interpreting them according to my suggestions are invited to look at the last issue of the *Wall Street Ticker* and then to study the course of Tennessee Coal & Iron for the few days following the date on which the article was written. The chart given last week showed the closing of Tennessee Coal & Iron at 91 on August 17, and the article was written early on the morning of the next day. In that article I said:

"As I write this the feeling is general that T. C. I. will go to par right away. The bull sentiment is as strong as it has been at any time during the past month regarding this particular stock and much stronger than it was when the bull movement first began. The stock may go to par—I do not say that it will not. But I do say that the chart indicates that T. C. I. is a sale above 91 and below 93. I do not regard it as a purchase except above 94 or 95, or at a much lower figure which will be indicated by the chart if it be reached. Unless double bottoms are formed again I should not buy T. C. I. for a few days."

T. C. I. did go to par as predicted and my suggestion that the stock was a purchase at 94 or 95 proved to be correct. The place to take profits on stock bought was shown clearly last Monday when double tops were formed at 100 with an extreme low point of 98 between them. These double tops being formed on one day were an advantage only to the trader in instant communication with his broker and who had his chart before him and kept it strictly up to date. Sales made short at 100 as indicated by the chart, gave as good profit as stock bought at 94, as T. C. I. touched 93 on Thursday.

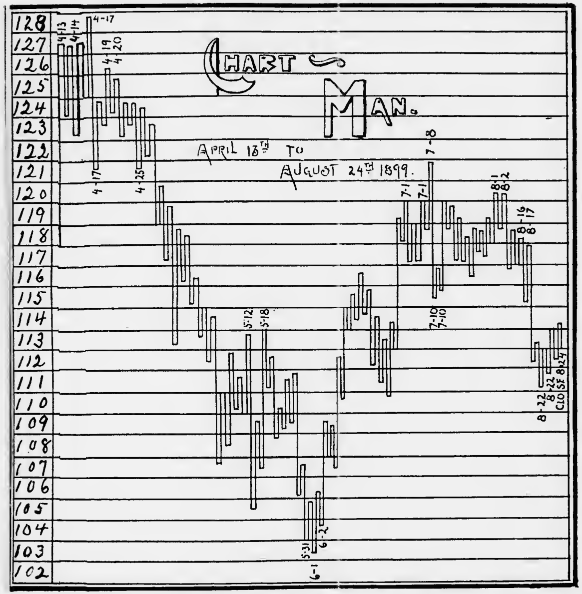
The chart which is shown this week is a continuation of one printed in the *Ticker* April 14 (see page 87), and it brings Manhattan up to yesterday's closing. As I write this I have the article which I wrote April 14 before me. In that article I said:

"Please note that a top was made on the 13th inst. at 127½, and after a 3-point reaction a double top was again made at the same point to-day. This was the place to take profits, no matter what the market is going to do to-morrow. Don't try to figure too far ahead. Manhattan will probably go a great deal higher some time—perhaps 200 or 300—who knows?—but what we want, and what all traders should like to secure, is immediate results, and if we can keep away from the excitement and news gossip and act only according to the charts, we will always have a safe guide, which will not lead us very far astray. If you did not take profits to-day and Manhattan rallies to 27½ again in the near future, sell it at that point or within a half point of this price, and sell it short in addition; but, on the other hand, should it go well above that point on large volumes of transactions, buy in your short stock and go long the same quantity, then watch for the next double tops"

A glance at the chart printed to-day shows the accuracy and the value of the advice I gave four months ago. Those triple tops mark the beginning of a downward movement that continued intermittently

until the stock reached 103½. The liquidation which followed the triple tops is clearly shown by the numerous fluctuations of two points and less which preceded the first big slump.

Look at this chart closely and notice with what regularity the double tops and bottoms were formed. Does it not show clearly that when the price approaches a figure previously reached that it is likely to stop and



then start in the opposite direction? During that decline of more than 20 points which extended over a period of several months was it not safe to sell short on every reaction that carried the figures close to a point from which there had been a previous recession?

There are so many of these double tops shown on the chart and their meaning is so obvious that I will not take up space in pointing them out.

The places at which to cover the short sales and to make purchases for a quick turn are equally plain. To be sure there would have been trades in which a loss would have been necessary, but the loss need not have been heavy on any one of them.

While there was nothing to indicate that 103½ was the lowest point that Manhattan would reach, the fact that the tide had turned and was setting upward was clearly apparent a few days later when the tops and bottoms began forming an ascending ladder.

The next point of liquidation, it will be noticed, was between 117 and 120. For more than a month it stayed there, while the insiders who had accumulated the stock 10 to 15 points below, were unloading. A week ago, that is, on August 16 and 17, came the double tops that showed Manhattan to be a sale. The trader who acted accordingly had a right to expect a profit of 2 or 3 points, and when a profit of twice that was in sight he should not have hesitated to cover his short sales when warned by the bottoms in the vicinity of 112.

What is Manhattan going to do next? I do not know. The stock is erratic in its movements and it defies news and rumors whether true or false. At the time the chart was drawn the market was uncertain and the chart said that it would be safer to do nothing than to either buy or sell. If the stock drops to 112, I should buy it cautiously. I should sell it at 114 and if it goes to 115 cover the sales and take the loss. And, of course, I would buy more stock in expectation of a further rise.

LEWIS C. VAN RIPER,
11 Broadway, New York City.

Aug. 25, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

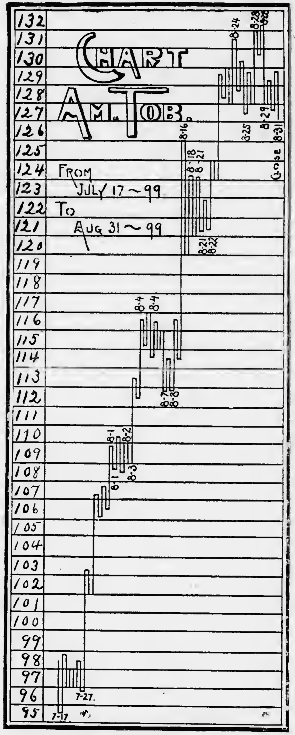
Last week the TICKER printed a chart of Manhattan Street Railway, together with an explanation by the undersigned. In that explanation, written a week ago, I said: "What is Manhattan going to do next? I do not know. This stock is erratic in its movements and it defies news and rumors whether true or false. At the time the chart was drawn the market was uncertain and the chart said that it would be safer to do nothing than to either buy or sell. If the stock drops to 112, I should buy it cautiously. I should sell it at 114, and if it goes to 115 cover the sales and take the loss. And, of course, I would buy more stock in expectation of a further rise."

On another page of this paper will be found a table in which the daily high and low points of Manhattan for the present week are printed. Study that table and see if the advice I gave a week ago was not sound. Excuse me, I mean see if the advice that the chart gave was not sound. I merely served as interpreter of the chart and told what I thought it meant.

There is no stock more subject to manipulation than is American Tobacco, the movements of which for the past six weeks are shown on the accompanying chart. Because of this manipulation Tobacco has been called a "one-man power" stock and many investors and traders are afraid of it. There is reason for this fear, because the stock often acts contrary to the market and because the news tips given regarding it are frequently wrong and are circulated merely for the purpose of deceiving. Because of this manipulation American Tobacco offers a splendid chance for the trader who is guided by charts.

The chart which I present to-day does not cover a long period of time

as American Tobacco, was not active in June, and the chart trader has little use for a dead stock. He wants something that is either going up or down



so that he can get into the market when he wants to without having to buy or sell more than a fraction away from the previous transaction. And he wants to be able to get out of the market at any time without being forced to make unnecessary sacrifices.

In looking at the accompanying chart please note the bottom formed July 17 at 95½ and the triple bottoms formed within ten days after a little higher. This showed clearly that the insiders were accumulating the stock and that a rise was due soon. It matters not to the trader how this boost is to be effected, sufficient to him is the knowledge the chart gives and the profits that ensue from following it.

When the rise started on July 27 it went right along and the man who was carefully watching his chart need not have been scared into taking profits much under 110. The vibrations between 108 and 111 during the first three days of August were doubtless caused by profit taking sales, and the bottoms formed with only small recessions was clear proof that there was to be no serious break but that the stock would go higher. It did go higher and the next point for taking profits was between 116 and 117.

Bear this in mind: After a stock has made an advance of several points and then breaks a few points, it is almost certain to approach its previous top again within a few hours or days, depending on the activity of the market, and this also often determines the distance that the top will be apart in points. In other words when your buy shows a profit hang on to it until there is a break of a point or more. Then wait for the rally to take profits at or near the point of the break. This second top is almost a certainty and sometimes there are three of them.

Note those double bottoms at 112¾ on August 7 and 8. Was there ever a better tip to buy than that? No matter what the "news" was at that time, the chart said "buy" and the chart was right. There was almost a certainty of several points profit in sight and the course of time made this certainty of a few points an actuality of twelve. The break came at 126 and the stock fell six points without a rally of a point or more. Note the next top was within less than two points of the previous top.

This chart illustrates in a forcible way the advantage of charts to the trader who is in instant communication with the market. See the double bottoms formed Aug. 21 and 22 near 121, and note the previous top Aug. 21 three points higher. Here was a case in which the chart was invaluable to the trader who keeps his charts not only up to the day but up to the hour. I follow this system and as each variation of a point is shown on the ticker it is recorded in my book of charts and when the point is reached at which a transaction should be made I can telephone a broker and have the order executed before the market is likely to make any considerable change. In trading by chart the speculator has to be ready to change his mind in an instant and it is almost as essential to be able to reach his broker and give his order just as quickly. I do not mean by this that the charts are not useful to the man at a distance from the market, because they are, but he must forego the chances for quick profits that the trader directly on the market has.

According to the chart the immediate future of American Tobacco is uncertain. It was a buy at the close of the market August 31, but if it should drop a point lower it would be a sale and a loss would have to be taken. **As a matter of fact the chart seems to indicate that the point of liquidation has been reached and the insiders are apparently unloading the stock that they accumulated below par.** This being true it does not seem likely that there will be much of a movement either way in Tobacco for some days, possibly for a few weeks.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Sept. 1, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

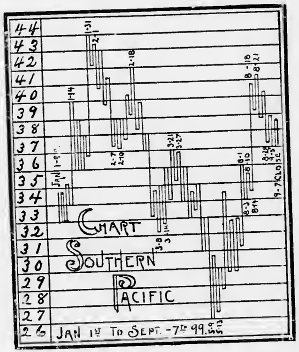
A story is told of an old fellow in Vermont who had a wife with whom it was popularly supposed he lived in continual trouble. At any rate, when she died it was noticed that his grief seemed to be very much put on. He decided to bury her in a cemetery near the house and the pallbearers started to carry the coffin. While descending a rocky hill on the road, one of the pallbearers slipped and fell; the coffin dropped to the ground and the lid was broken loose. The shock aroused the supposed corpse and the woman got out of her coffin and walked back to her house. Two years later she died again and was again put in the coffin and the pallbearers started for the same cemetery. When they approached the rocky hill where the previous accident had occurred, the bereaved husband ceased his sobbing long enough to exclaim: "Steady there, boys! Take care! Here's where you dropped her before and brought her to life. Be careful, or you may drop her again."

The theory of speculation by charts is based largely on the caution of the grieving Vermonter. He realized that where an accident had happened

before, another was likely to occur. The chart traders know that, when a bull movement has been checked at a certain point and there has been a reaction, the next bull movement is likely to be checked at or near the previous top. If the upward movement is not stopped there, however, it means that the stock will go several points higher and form a new top. That is, when the stock approaches the point at which it had previously stopped, whether going up or down, it reaches a critical stage and one at which traders should either buy or sell.

I have received the following letter from a correspondent:

"Referring to your chart of American Tobacco in the *Ticker* of September 1st inst., I should like to make an inquiry regarding the movement of the stock around 110. As will be noticed from the chart, triple tops were made within ¼ point of 110 on August 1-2. Now when this third top was made, at even 110 on August 2d, why, according to chart methods, should we not go short of the stock? Here was a stock making triple tops at this point, after an almost unbroken 13-point advance (from 97); and it seems to me if I had been following American Tobacco by chart at that time, the natural thing would have been to go short. What is there in the behavior of the stock at this point which would have discountenanced 'shorting' it in face of the 7-point advance which followed? "W."



The gentleman is undoubtedly a close observer and a man who thinks for himself. He is right in saying that the triple tops at 110 indicated a place for taking profits as well as for selling short, but as the downward movements between those triple tops were of only one point, he need expect a profit of only one point by selling short and, when the third bottom was formed at 109, he should cover his short sales. If he failed to do this when the stock went up to 111 he should certainly cover at a loss and go long on the stock for the coming advance.

As a matter of fact, these triple tops at 110 were not particularly significant in view of the fact that the reaction in each case had been so slight.

T. W. P., of Utah, is another correspondent whose remarks are worthy of consideration. He says: "By following the charts I have been successful whereas, by having telegrams, I was unsuccessful. I find that, when the chart says 'sell,' the men in the office say 'buy.' Three times yesterday my opinion, based on the chart, was correct, while a man of fifteen years experience was wrong."

This is one of the valuable features of chart trading. The charts are not influenced by bogus bull or bear tips and fictitious news does not affect them. I have often noticed that the charts say "sell" when the bull sentiment is the strongest, and I have called attention to this characteristic in previous articles in the TICKER.

The chart which we present this week is in direct contrast to the one printed last week which showed the fluctuations of American Tobacco. Railroad stocks are not subject to the manipulation which frequently characterizes the industrials, though there is a great deal of so-called "news" circulated regarding them. You will notice by this chart that the highest price reached by Southern Pacific this year was 44, which quotation appeared January 31. After a reaction of nearly two points, the stock next day reached 43⅞. At this time the Street was full of bull tips regarding Southern Pacific. I was told by one gentleman who thought he knew all about it, that C. P. Huntington had bought 5,000 shares of Southern Pacific at 42. He claimed to have got the information from a Stock Exchange house and declared that it was reliable. If Mr. Huntington bought those shares, which I don't believe, they have shown a loss almost continually since their purchase, and the loss at one time amounted to $75,000.

Beginning with the New Year the chart shows an upward tendency for Southern Pacific, as each top as a rule was higher than its predecessor, and the reactions were checked at or above the previous bottoms in every case until the top was made at 44.

The downward movement began then. The next indication for buying appeared on February 10, when a second bottom was formed a fraction above 37. The second week in March buying was again indicated between 32 and 33, and the place to sell came two weeks later at 37.

Note the stairway formed by the tops and bottoms which terminated June 9 at 27. Between that date and the first of August there were opportunities for scalping profits of 2 to 3 points by the trader who watched his chart closely and who was in immediate communication with his broker.

The bottom formed August 3 at 34, which was nearly 3 points above the previous bottom, was a definite signal to buy and so was the second bottom at 34½, formed 10 days later after a reaction of but one point. The break came on August 18, and the speculator who did not take profits at that figure had his second chance two days later.

At the close of the market September 7, Southern Pacific was clearly a purchase, but as the previous tops had formed a descending scale it is possible that a purchase at 37 would have to be sold at a loss at 36. The purchase should also be closed on a reaction of 1½ to 2 points, and on a break between 38 and 39 the stock should be sold short.

The tendency of Southern Pacific, as I write this, is downward, and therefore the short side of the market is safer than the long side. Unless you are close to your broker and are prepared to give an order instantly, I would advise you to let Southern Pacific alone for the immediate present. The chart merely indicates its next movement and does not tell what the stock will be doing a week or ten days from now.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Sept. 9, 1899.

CHARTS AND THEIR USES.

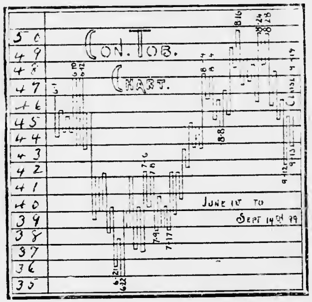
(FROM WALL STREET TICKER.)

Perhaps the most important requisite for the trader who is guided by charts is patience. A refusal to wait has caused many failures in all walks of life and the anxiety to be in the market at all times has cost much money. The golden rule of chart trading is, "When in doubt do nothing." This is sometimes hard to follow, but it is safest and the only way to make a suc-

cess. When the chart says "buy" it says it in an unmistakable manner and the same is true of the time to sell. When the chart does not furnish information definitely the thing to do is to wait until the course of the market is actually indicated.

The accompanying chart of Continental Tobacco is a very forcible argument in favor of selling on the double tops. Look at the two tops formed at 48 on June 10 and 12, and observe that the point for taking profits would have been at least four points lower for the most timid trader, while the man who was not in a hurry to cover his short sales had a profit of 8 to 12 points within his grasp. I do not mean to say that the man who sold Continental Tobacco at 48 or near there on June 12 as the chart advised, could see a profit of 12 points within two weeks, but he certainly had a profit of several points in sight. If he watched his chart closely there was no reason why he should have taken profits below 40 as no upward tendency of the market was shown until the stock had been safely below that point several times.

The tops formed in the vicinity of 42, especially on July 6 and 8, were indications for selling again and the triple bottoms at and near 39 soon after were of course the signal to cover short sales and to buy for the long account. On August 16 Continental Tobacco reached 50¾, a week later it touched almost the same figure and four days later another top was formed there. This was practically a repetition of the double tops formed last June and a similar profit awaited the chart trader. A short sale at that time has shown a continual profit ever since and at one time it amounted to a fraction more than 7 points.



When these triple tops were formed two weeks ago bull talk was very strong. People who claimed to have inside information were telling their friends to buy Continental Tobacco that a big upward movement was imminent, and that it would surely come. In spite of these bull tips the chart was right and Continental Tobacco was a sale.

Late last week I noticed that charts of all the active stocks began showing double tops. Continental Tobacco was not alone in this and a bear movement was clearly indicated. How extreme this movement would be there was no way of knowing and the charts did not say. But they did say that long stock should be sold and that the short side of the market was the right one to play.

I have received an instructive letter from a clever correspondent in Ovid, Mich. His remarks are so interesting that I quote his letter in full, though there is some of it that has to do more with grain than with charts. However it is probable that many readers will be interested in what a close observer has to say and his use of charts in trading in grain is worth attention. He writes:

I have kept a chart of the daily fluctuations of wheat since December 1, 1893, and there is no question in my mind that the future movements of wheat can be predicted with a fair degree of certainty. I carry the future in black lines and cash wheat in red, thus showing at all times the carrying charge or premium as the case may be. I have been somewhat interested in predictions of the TICKER'S Chicago correspondent some time ago of 65c. wheat. For such a bottom you have to go back to last December, although cash wheat struck 65⅝ on March 17. But the May liquidation only took cash wheat to 68c. and it made that bottom again on August 8. Unless it breaks 68c. this month, that will without much doubt be low price on 99 crop, and it seems to be very firm at about 70. Wheat cannot go much lower, and if those fellows in Chicago expect to continue in business they will have to let it go up. They can't make a living swapping dollars from day to day on ¼ and ⅜c. movements. I believe there is a good big short interest in December wheat and that somebody will pay close to 80c. for it.

"I have kept charts of Sugar, C., B. & Q. and C., R. I. & P., but have not taken the interest in them that I have in grain. I have also made charts of cash corn, wheat and pork by monthly fluctuations as far back as the Chicago Red Book furnishes quotations, and also charts of monthly fluctuations in visible supply of wheat as far back as I could obtain figures. The study of the markets during the six years since I began it has been a very interesting one, I assure you.

"The sudden narrowing of spread between December and cash looks somewhat as if shorts might want September wheat. It looks suspiciously like market of September, '96, when carrying charge narrowed from 3¼c. Sept. 1 to ⅜c. by 30th, and cash wheat went up 13c. per bushel without any apparent cause after two months of just about such a market as we have had since middle of July. As the correspondent says in the last edition, the price of wheat may be about right for eating by the ordinary individual, but bears often manifest a great appetite for something they can't get. I may be wrong, but the market has, to me, every appearance of being sold to a standstill and that the bull who has wheat at present prices will find lots of buyers at a good profit."

For several weeks I have tried to tell what the immediate future of the market would be as to the particular stock of which we have shown a chart. Readers are invited to read my predictions and compare them with the actual course of the market as to their accuracy. Predictions are hard to make when guided by charts as the chart trader, as I have said before, must be ready to change his mind and his trade at a moment's notice. But I think that I have been fairly accurate in the predictions I have recently made.

I can offer no advice at this writing on Continental Tobacco. The charts say that a waiting game is in order and I shall therefore wait.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Sept. 15, 1899.

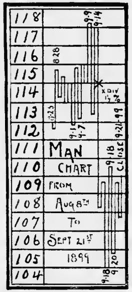
CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Last week in this column I said: "Late last week I noticed that charts of all the active stocks began showing double tops, Continental Tobacco was not alone in this and a bear movement was clearly indicated. How extreme this movement would be there was no way of knowing and the charts did not say. But they did say that long stock should be sold and that the short side of the market was the right one to play."

Well, the short side of the market was the "right one to play" all right, and I trust my readers followed the suggestion. **Within the past few days double bottoms have been formed by all the active stocks.** Continental Tobacco made them at 40½ and 40¾ on September 18 and 20; St. Paul at 125⅝ and 125⅞ on the same dates; B. R. T. at 75½ and 76½ on September 20; Rock Island at 110⅛ and 110⅞ on September 18 and 20. **So on throughout the entire list the double bottoms have appeared and I do not hesitate to say that stocks should be bought on any decline or on any approach to the low figures touched early this week.**

But to return to our mutton which this week is a continuation of the Manhattan chart printed a few weeks ago. For comparison see Manhattan chart of Aug. 25th, on page 124 and also in the article accompanying that chart, I said: "What is Manhattan going to do next? I do not know. This stock is erratic in its movements and it defies rumors whether true or false. At the time the chart was drawn the market was uncertain and the chart said that it would be safer to do nothing than to either buy or sell. If the stock drops to 112, I should buy cautiously. I should sell it at 114, and if it goes to 116 cover the sales and take the loss.



A short horse is soon curried and the new chart being a short one, I have but few words to say in relation to it. The most noticeable features of the chart from the speculator's point of view are the double tops formed Sept. 9 and 14 at 118¼ and 118. Previous to that there were opportunities for scalping a few points either by buying on the second bottom at 113⅛ on Sept. 7, or by selling short a day or two previous on one of the tops. But that second top at 118 was clearly the place to sell and the place to cover was a dozen points lower. To be sure there was a reaction of a point near 109, but that was a trifle in consideration of the previous drop of ten points. When the second bottom was formed at 105⅞ on Sept. 20 after a reaction of 5½ points the place to cover was plainly shown.

This was also the time to purchase, especially as charts of other stocks were showing double bottoms On the upward trip the stock should have been bought liberally and the place to sell the stock so accumulated has not yet been shown on the chart.

At the close of the market yesterday, the chart indicated that Manhattan could be sold for a profit of one or two points. That was not enough to go after in the present condition of the market, and I should say that the chart suggests a waiting game until there is a reaction, when a purchase should be made. **With the double bottoms forming an ascending stairway the long side of the market is the safer.**

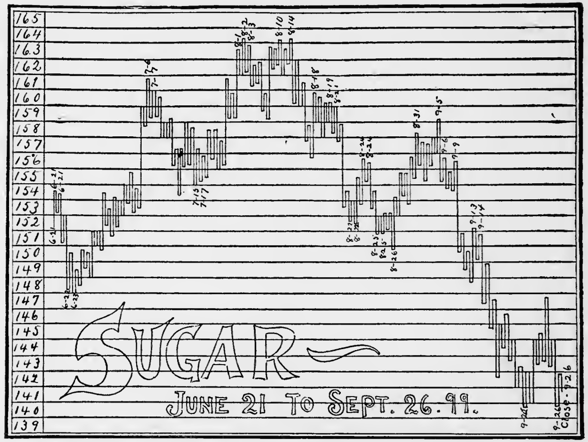
LEWIS C. VAN RIPER,
11 Broadway, New York City.

Sept. 22, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

For several days the big men who control the movement of stocks have been accumulating securities. This condition has been clearly shown by the charts. In the article which appeared in the last issue of the TICKER, I said:



Well, the short side of the market was the "right one to play," all right, and I trust that my readers followed the suggestion made in last week's article. Within the past few days double bottoms have been formed by all the active stocks. Continental Tobacco made them at 40½ and 40¾ on September 18 and 20; St. Paul at 125⅝ and 125⅞ on the same dates; B. R. T. at 75½ and 76½ on September 20; Rock Island at 110⅛ and 110⅞ on September 18 and 20. So on throughout the entire list the double bottoms have appeared, and I do not hesitate to say that stocks should be bought on any decline or on any approach to the low figures touched early this week.

Since writing the above triple bottoms have been formed in nearly every stock. The fact is that insiders found that the market was develop-

ing too much strength. On Monday and Tuesday they bid call money up to three times the legal rate, and as this did not prove effective, they sent rates for call money to-day to 25. These tactics may be continued indefinitely until the heavy speculators have secured such a line of stocks as they wish to carry. Then we will have another bull market.

Look at the chart showing the fluctuations of American Sugar stock for the past three months which is printed herewith. Take a pencil and a piece of paper and figure the results that would have followed buying on the second bottoms formed, and selling on the second tops. You will notice that there would have been some losses. On the long side when the stock was going up and on the short side when it was coming down. But you should remember that shares bought when the stock reached a previous bottom should be sold if the stock breaks through that bottom. The same principle applies to shares sold short when the stock is at or near a previous top. If the stock breaks well through the top, cover the short sale, take the loss and go long. With these simple instructions it is easy to apply the principle of chart trading to Sugar, and a little figuring will show whether or not it can be made successful.

Of course the mill will never grind with water that has passed, and traders will make no profits on yesterday's fluctuations, but if the principles I have given above will work theoretically, it is safe to say that they can be made to work practically, and they can be applied to the future as well as to the past.

Note the tops formed in the vicinity of 164 during the first two weeks of August. Those fluctuations showed clearly that liquidation was in progress and that insiders were taking profits on shares bought at much lower figures. The bull talk was very strong then. I know several traders who bought Sugar at 164½, and they unhesitatingly told me that I was a fool when I took profits at that figure. There were loud predictions that Sugar was going to 200, that it was to become a second Standard Oil, that the extra dividends were to become regular features and that there was a heavy short interest to be squeezed. The chart denied these bull rumors, and as usual, the chart was right.

As I have said before, chart movements are nothing in themselves except that they serve as a barometer to indicate the accumulating and distributing points of the big operators, and by watching for these periods one is able to follow in their footsteps and to take advantage of movements thus created.

No matter what anyone may tell you, or what the news gossip may say, watch the charts, but do not try to trade on every fluctuation. The extreme movements are most reliable, and in fact one would make more money to wait for such movements than he could in trying to scalp the market from time to time. **I do not hesitate to place myself on record in saying that inside interests are now accumulating stocks. Especially is this true in regard to Sugar.** This does not mean that the price may not go lower; because the pools may change their operations should circumstances warrant them doing so, in which case the support would be withdrawn around 141 and you would note a large volume of transactions below that point. In this case no time should be lost in throwing stocks overboard and selling short; but do not expect to be able to stop your losses in this stock with one-quarter or one-half point. In order to make money in such stocks as Sugar it is necessary to play for big profits, at the same time taking the risk of making a two or three point loss. Nine times out of ten you will win, and your profits will be much larger than the loss if this rule is adhered to. **As I said in last week's article double bottoms had already appeared in most of the active stocks at that time. Since then most of these same stocks have made a third movement to practically the same point, and there is no telling when the upward movement will commence; it may begin to-day, and it may be postponed for a week or two. In fact I expect the insiders to keep prices down for a little time to enable them to accumulate more stocks, but as soon as they have supplied their wants in this direction you will be surprised at the sudden change in financial conditions.** Money will again be quoted at two or three per cent, and the news agencies will be full of bull arguments to assist in advancing prices, and after a period of excitement such as we experienced last winter, insiders will liquidate again at much higher prices, and the same old story will be told. This game has been worked hundreds of times, and will continue to be as long as stock exchange operations are carried on under legal license. This being the case, why not take advantage of these movements so as to profit by them instead of playing into the insiders' hands? There is no reason why you cannot do it.

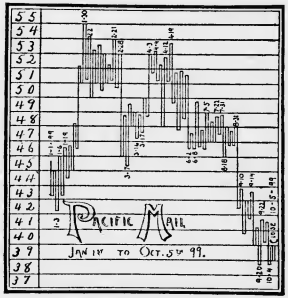
Lewis C. Van Riper,
11 Broadway, New York City.

Sept. 27, 1899.

CHARTS AND THEIR USES.

(From Wall Street Ticker.)

This week we present a chart showing the movements of Pacific Mail from January 1st to the close of the market yesterday. This stock is not particularly active, and it is not a favorite with the manipulators, and in these respects it offers a striking contrast to American Sugar, which was discussed last week. Pacific Mail is one of the stocks that follow the market, and it is not seriously affected either by bull news or bear tips. To be sure, there are stories afloat at intervals regarding Pacific Mail, but these are never so influential in determining the course of the stock as is the course of the more active securities. When the market is quiet like it has been during the past week Pacific Mail seldom records a movement of more than a fraction of a point in one day and the number of shares bought and sold will seldom be much more than 1,000.



At the beginning of this year Pacific Mail was near 40, and the chart indicated that accumulation was gradually going on and that the course of the market was upward. There were slight fluctuations with a steadily ascending series of tops and bottoms for three weeks and then came a rise of eight points with but one break of more than one point.

The high price for the year was reached January 30 and then came a break of more than three points,

thus telling the chart trader to take profits when the stock rallied again near its previous top. The second top was formed three days later. This second top was followed by two weeks of liquidation during which the insiders were taking profits and were disposing of their holdings to outsiders who were influenced by the bull tips industriously circulated. The big ones distributed their stock slowly in order to hold the price at its level without a serious break, which would have affected their plans. There was no excuse for the careful chart trader being caught by these false bull tips if he watched his chart carefully. Those tops which never broke through the high point of Jan. 30 were the signal for selling short and there was no time indicated for buying except for scalping the market on those recessions of two or three points. This scalping can be done only by the man in immediate touch with the market, and the chart trader at a distance had nothing to do except to sell short and wait for profits to come.

Notice that straight drop of seven points after February 28, followed by a rally of nearly three points. The place to cover the short sales was thus shown to be at or near 46 and that is where many profits were taken. The buying was so good at that figure that another rally was caused and steady buying was suggested by the bottoms on March 16 and 17 between 47 and 48.

If the chart shows anything it shows that liquidation was going on early in April when double tops were formed at 53, followed by a decline of five points and a reaction to 52¾ on April 12. All those tops were danger points and the short side of the market was clearly the one to play in spite of bull talk and bull rumors. Early in June there were several bottoms formed between 46 and 47. These would have looked much more like the time to buy had arrived if the upward swings had been more pronounced. As a further offset to these bottoms were the triple tops formed a few days later, which indicated a coming downward movement. This was a time in which a cautious trader who was guided by charts waited developments which came later. After a pronounced weakness in the market, it looked safe to sell short between 47 and 48 and if advantage was not taken of this chance the stock was clearly a sale at 45, when it broke through the previous bottom and showed no rally. The place to take profits on these short sales as well as the place for going long was at 39, on the double or triple bottom formed this week, but the loss of a point or so should be taken the minute it breaks below 38, should it do so. If the stock goes up the place to take profits is now indefinite. This point, however, will be shown in due time by the chart.

In my last week's article I plainly told my readers to buy stocks on any movement made to the recent low points, especially those which had already made double bottoms. Early this week another extreme movement took place when purchases were in order and almost every stock immediately made advances ranging from two to five points.

I also said that I expected insiders to keep prices down to enable them to accumulate more stocks. This is just exactly what has been going on and from present appearances it looks as if they were not as yet ready for the advance to start in. **I also make a further prediction: that is, that we will see just as big a bull market this Winter as we saw last Winter.** I have often remarked that history repeats itself and what has happened in the past is sure to happen again. **If you will refresh your memory a little you will be reminded that the break which occurred last month was almost identical with that which took place one year ago and also a year before at a corresponding period.** Prices did not begin to harden last year until near the latter part of October, but after the market began to improve the improvement was continuous until around the first of April, when the first severe break took place. You no doubt felt sore at yourself because you did not take advantage of the low prices last year to accumulate stocks and you will feel just as sore later on if you do not buy

them now. **Insiders are accumulating stocks and this is all that is necessary for a successful operator to know.** If you are going to wait until the Standard Oil people liquidate and buy them at the top when indications are so plain that any one can see what is taking place you deserve to lose your money. Never mind what you may read or what people may tell you, watch your charts for the accumulating and liquidating points and then follow them. If you do this you will succeed.

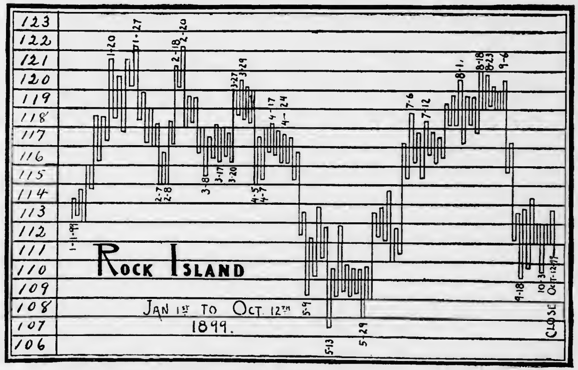
LEWIS C. VAN RIPER,
11 Broadway, New York.

Oct. 6, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Rock Island is a stock which lends itself particularly well to the aid of the chart trader. While subject to the manipulation of the big dealers who control the movements on the New York Stock Exchange it is subject to few skyrocket upward flights or downward sweeps that will wipe out mar-



gins over night. It moves slowly and deliberately as a rule and the daily fluctuations are within the range of one or two points, except at rare intervals, when the market is unusually active.

I present herewith a chart showing the fluctuations of one point or more that Rock Island has made during the current year. It is worthy of careful study and an explanation of it should convince anyone that carefully kept charts are an invaluable guide to the speculator. I can really say that the

chart is an infallible guide, for when the chart trader makes a loss it is because of his mistake and not through any error or fault of the chart. He has either failed to understand the chart or he has trusted to his judgment or to the advice of friends. The chart is mechanical; it has no sentiment. It is merely a mirror which reflects the operations of the big insiders and shows when they are accumulating stock and when they are disposing of their holdings.

It should be remembered that these big men control the sources of so-called information in Wall Street. The various news channels are used by them to further their own ends. They circulate bull tips when they are really disposing of their stock and preparing to sell short for a turn. These bull tips are to induce the public—the outsiders—to buy. The same tactics are followed when there is a slump and the insiders want to accumulate again. Then it is that the money bugaboo, the war scarecrow, the poor crop canard, the political ghost and the hard times fake are trotted out and made to do valiant service. "Things are going to the dogs," wails the insider. "Sell your stocks now before they go lower. Sell them while you can. Sell them at any price." He adds under his breath, "Sell them to me. I am ready to buy them." When he has bought the line that he intends to carry his tune changes. The mouth that had formed a crescent with ends down is turned the other way and the operator smiles broadly. "Things are booming," he says. "Prices are going away up. They will never stop rising and they will never come down. What? Sell stocks now? I guess not." But he does sell them when the price has raised to a satisfactory point and he takes his profits accordingly.

Look at the accompanying chart and see if this is not true. On January 1 Rock Island was on an upward movement that had been preceded by a time of accumulation. Look at the stairway formed by the tops and bottoms which culminated January 20, and again a week later. Could anything have been plainer that the stock was a purchase on any of those reactions of one or two points during the first three weeks of the year? Was it not equally plain that Rock Island was a sale at 121 or 122 January 27, after the previous break of nearly four points from the previous top?

So anxious were the insiders to unload at this top that they forced the price down lower than they were willing to sell and another boost was necessary. Note the double bottoms formed at 115 February 7 and 8. This was followed by a second and even a third top near the previous points, at which the rise had been stopped. Then came the period of liquidation for the insiders and accumulation for the lambs. See how the stock vibrated between 116 and 120, making many fluctuations of a point and a fraction. There were many other movements at that time of less than one point which are not shown on the chart. Accompanying this unloading was a choice lot of bull news, talk and rumors. It was loudly predicted that Rock Island would sell for 130 soon. This talk was heard as late as April and only a few days before the break came which sent Rock Island down to 108½, making a new low figure for the year.

See the period of accumulation during the month of May. **Note the similarity it bears to the movements of Rock Island for the past three weeks. Just now the talk is all of a bear sort. There is a war on in Africa, there is a short wheat crop and there is danger of a disastrous rate war. But in spite of this talk the chart says that Rock Island is a purchase and that there will soon be an upward movement of 15 or 20 points just as there was after the men who control things had accumulated the lines they wanted last May.**

The period of selling following this period of accumulation is more clearly indicated than it was last Spring. During June there was little doing. The price was being sent up and in July it reached a figure at which the insiders were content to take their profits. Bull talk was used with an unsparing liberality and the price was kept up for two months while Rock Island shares were handed out to the greedy suckers. But the chart trader was warned by the numerous tops formed at 120 and 121 and he was not caught in the slump in September. There was no excuse for not getting out of Rock Island at 119 or 120.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Oct. 13, 1899.

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

Here is a chart showing the movements of People's Gas since last April. The fluctuations since that time have been wide and erratic. The stock has been as low as 101 and as high as 129½. Between these widely separated points the stock has vibrated, recording numerous breaks and rallies of five or more points. Let us study the chart carefully for a few minutes.

On April 3 there were fluctuations in People's Gas which ranged from 112 to 129½. This movement was so extreme that there was an imm e liate rally, and the next bottom, at 117½, was a safe place for a buy. Traders who were in the market at that time will remember that the fluctuations were violent, and, as a natural result, tops and bottoms could not be expected to be as close together as they are when the market is dull and the movement of stocks is sluggish. But the tops formed two weeks later were very close to the high record for the year, and a better indication for taking profits and for selling stocks could not have been wished. At the same time there were plenty of bull tips in circulation. All sorts of predictions were made for higher quotations and the folks who followed these tips were liberal buyers of what was as liberally handed out by the insiders. Liquidation had set in and was clearly shown by the chart. The bottoms began dropping lower and the tops followed suit. If the bull tips had been trustworthy some of those rallies would have sent the price of People's Gas above 130—away above.

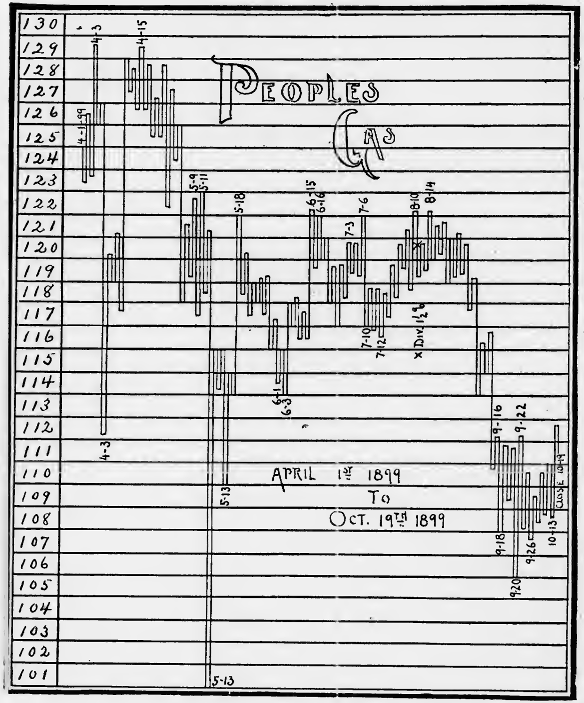
In my article of April 21st, published in this column (at which time People's Gas was selling around 129½) I made the following statement (see page 90):

During the past ten pays this top has approximately been made again several times and indicates a liquidating point. I do not know anything about the future price of this stock, but I do know that this is the point at which to take profits, and it will be time enough to buy again when the price advances well above that point.

Down went the stock. It was not permitted to go too fast. The taking of profits and the putting out of large short sales were cleverly and systematically followed for a month. Then came the drop of 20 points without a rally, followed by a rally of 16 points without a break. After another bottom at 110 on May 13 there was a rally that carried the stock up to 122. Please note that this is a figure at which there had been breaks a week before. Bear in mind what I have said repeatedly that when the chart shows that the stock is approaching a point at which there has been a previous halt, either when going up or down, then is the time to get into the market, either to take profits that have already accrued or to make trades for future profits. In spite of bull talk, bull rumors and bull misinformation it was plain that P. O. was a sale at or near 122 on May 18. Then followed another period of liquidation with a gradually descending market which ended early in June with double bottoms near 114. The rally

that followed was not very pronounced and it was manipulated solely to prevent a slump before the big men had been able to sell out their holdings.

For two months the market was quiet. P. O. vibrated between 116 and



123, and there were a score of ups and downs within these narrow limits. This was a case for selling on the bulges and for buying on the declines, and the chart clearly showed when to buy and sell. There were few times during June, July and August that the chart trader did not know what to do for a quick turn. He did not know what the ultimate course of the market would be, nor did he care particularly. He merely knew when he had the chance to secure a profit of several points by risking a loss of but one or two points, because he was ready to change his play in a moment if the market developed unexpected strength or weakness.

During July and the first two weeks in August the chart was rather bullish and there was a gradually ascending scale of tops and bottoms shown. But the variations were within limits too narrow to be of great significance and extreme care was suggested by the frequent breaks.

Note the double tops formed at 122 and a fraction on August 10 and 14. Look further back on the chart and see that this had marked the high figure for P. O. three months, during which it had been reached no fewer than six times, but had never been broken. Here was where P. O. was a sale, and when the tops started on a descending scale the chart trader increased his short account, confident that he had a sure profit ahead of him, though uncertain as to how large it would be. As a matter of fact the signal to cover these short sales did not come for a month, and then it allowed a profit of from 10 to 14 points. At no time was there a possibility of a loss, and the only question open was as to how large the profit would be.

After the stock made a rally of nearly 4 points from the bottom formed at 108 on September 18, and especially after the rally of 6 points from the bottom at 106 on September 20, there was no excuse for staying short of the market longer. Liquidation had run its course and accumulation had been commenced.

During the past few weeks I have not hesitated to make plain statements regarding my belief as to the future course of the market. This belief was not founded on anything other than the chart movements which I have endeavored to illustrate in these articles from time to time. Just because the market did not go up like a skyrocket after I had made the statement that the bottom had been reached, I have received several letters criticising these articles. I, for one, did not expect to see the market make a sensational advance immediately. In fact, I have stated right along that it required weeks and sometimes months for the insiders to accumulate sufficient lines of stock before they would be ready to allow prices to go much higher. While this accumulating process is going on the very people who are buying on the breaks will be seen to slug the market at each sharp advance, so as to cause the outsiders to sell out their stocks which they (the insiders) are buying at the same time through other brokers. Nothing is truer than that history repeats itself, and this rule applies most frequently to financial movements. The movements of stocks during the present month have been almost parallel to those of one year ago, both in range of prices comparatively and in volumes of transactions. **One year ago the market remained dull during the early part of the month and second low prices were made October 3, 1898. Second bottoms in most active stocks occurred on precisely the same date this year, since which time prices have gradually been hardening,** and unless all signs fail after election we will see another extensive bull movement, corresponding identically with that of one year ago. At the same time as the starting point is at a higher range of values, the probability is that prices will be likewise proportionately higher before the movement terminates. If you do not take advantage of the present situation to enter the market you will regret it later on just as you did last year.

Lewis C. Van Riper,
11 Broadway, New York City.

Oct. 21, 1899.

CHARTS AND THEIR USES.

(From Wall Street Ticker.)

The chart which I present this week covers the fluctuations of Manhattan Railway stock from June 22 last until the close of business last night. During this period of four months the stock has fluctuated nearly 17 points, reaching the high of 121⅞ on July 8, and the low of 105 on Sept. 18. Between those two extremes there have been numerous movements of one point or more and eight occasions on which the stock broke four or more points without a rally of a full point.

For the benefit of those who may read this and who have not read any of my previous articles on charts, I will give a brief synopsis of the main features of chart trading. It should be known that there is no pretense that the chart influences the market, it is merely a means of recording the movements pictorially so that they may readily be seen. Figures would do as well, but they would not be so easily understood, nor so quickly digested. The trader who is guided by charts believes in the old axiom that history repeats itself and he endeavors to get into the market when the chart shows that a stock has reached or is nearing a point at which it had previously changed its course. For instance a stock is going up and is at 112. A week ago it went to 114, and then broke to 108. As it rallies and approaches 114, the point at which the previous break occurred, the trader sells short, believing that another break will come. When the break does not come, however, but the stock continues upward, the trader covers his short sale at 115 and goes long on the stock as there is no telling when it will stop and he will probably regain his loss very soon.

The same principles apply when the stock is going down. The time to buy is when it reaches the point at which it previously rallied. Should it fail to rally, but continue on down, sell your purchase at a loss and sell more stock short.

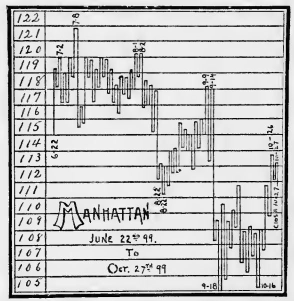
These are the cardinal principles of chart trading and they need only to be supplemented with this golden rule, "When in doubt, do nothing." By following these rules, modified by such variations as experience will suggest, the speculator is able to come out ahead of the game if he can win one time in four or five, as his losses are always small and his profits are large.

During last July the chart showed that the insiders in Manhattan were disposing of their holdings. The price was held for a month within a narrow range while those who had accumulated thousands of shares at much lower prices slowly doled them out to those who wanted them. But the principles given above would apply to trading under this sort of a market. Notice the number of double bottoms there were and see that one rally was nearly always followed by another at or near the same point. The same will apply to the tops. See how the stock rallied to 120 time and again only to drop back from 1 to 4 points. Finally came the double tops formed Aug. 1 and 2 at 120¼. This was the time for selling in spite of bull talk. See the downward course of the market as indicated by the fact that the rallies failed to regain lost ground in every instance. Within three weeks the stock had fallen nearly 9 points to 111¼, and then came a rally. The stock was down where the insiders regarded it as worth while to accumulate again for a quick turn and within a fortnight they were disposing of their holdings several points higher. See those double tops again Sept. 9 and 14, at 118, and ask if it were not a safe proposition to sell on the second of them.

Then there was a break that was a break. Nearly 10 points without a rally, and when the rally came it was for one point, followed by a further drop of 4 points. Here followed a period of accumulation which lasted until

a few days ago. Bear talk has been plentiful. The war in Africa has been used for all it was worth and more too, in the effort to depress stocks. For a month Manhattan was kept vibrating up and down within narrow limits, while the big dealers bought eagerly, though looking downcast meanwhile and shaking their heads gloomily over the future prospects. On Oct. 16 Manhattan dropped again close to 105, thus doubling the bottom formed on the previous extreme movement. Here was the place to buy again and the chart shows what would have been the result.

☞ **Constant readers of these articles know only too well that I not only called the bear movement which took place during September, but I took a firm stand on the bull side when prices had declined to what proved to be the exact low points.** In my article written for this paper on September 27th I made the following statement: **"I do not hesitate to place myself on record in saying that inside interests are now accumulating stock. Especially is this true with regard to Sugar." Sugar was then selling between 141 and 142.** The week before that I called attention to the fact that double bottoms had already appeared in most active stocks. Further, that since that date a third movement to practically the same point had occurred. At the same time I warned my readers that the upward movement might be postponed for a week or two, adding the following: "In fact, I expect the insiders to keep prices down for a little time to enable them to accumulate more stock, but as soon as they have supplied their wants in this direction, you will be surprised at the sudden change in financial conditions. Money will again be quoted at 2 or 3 per cent., the news-agencies will be full of bull arguments to assist in advancing prices, etc., etc." **For proof of this assertion see Wall Street "Ticker" of October 2d.** In the following week's article, written October 6th, I called attention to the fact that this year's movement in prices has almost been parallel to the market one year ago, as well as the year before that, and again asserted confidently that insiders were accumulating stock around prices then ruling. This advice was again reiterated on October 13th. After calling attention to the triple bottoms and apparent accumulation in Rock Island, which was then selling around 111, I said: **Just now the talk is all of the bear sort. There is a war in Africa, there is a short wheat crop and there is danger of a disastrous rate war, but in spite of this talk the chart says that Rock Island is a purchase and that there will soon be an upward movement of 15 or 20 points, just as there was after the men who control things had accumulated the lines they wanted last May."**



Just because indications now point to a much further bull movement in the stock market, do not think for a moment that you can buy stocks at any

price or that the advance is going to be immediate. There are sure to be sharp reactions. If you are weak-kneed, you will probably get scared out of your holdings, but at present there are no indications that the bull movement has any more than fairly started, and I look for much higher prices and a wild and exciting market early in the Winter. If you will watch your charts carefully you will be able to determine the liquidating point and will be able to unload your holdings at or near the tops.

LEWIS C. VAN RIPER,
11 Broadway, New York.

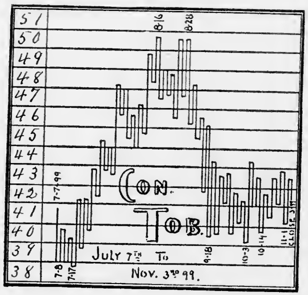
Oct. 28, 1899,

CHARTS AND THEIR USES.

(FROM WALL STREET TICKER.)

When the triple bottoms were formed in Continental Tobacco at 39 last July the period of accumulation that had extended for several weeks terminated and the chart traders had no hesitation in buying the stock liberally. When the bottoms began forming an ascending ladder the chart was saying "buy, buy" in thundering tones. Upward went the stock and the profits on the long side of the market increased daily. At no place was there a signal to sell short or to take profits until 8 or 10 points advance had been made.

When the signal for taking profits and for selling short did come it was unmistakable. Note the triple tops at 48½. The first formed Aug. 16 and the last Aug. 28. Between these two there had been a recession of nearly 4 points accompanied by two trifling rallies. The downward movement that followed those triple tops spent its force within 3 weeks, when 40½ was reached.



For the past six weeks Continental Tobacco has been very quiet. Its extreme movements have been within a range of 4 points and the numerous bottoms have been formed close to 41. Stocks bought at that figure, which has been suggested continuously by the chart, have at no time shown a loss of more than one point, and have exhibited a profit of nearly 3 points several times.

These six weeks dull trading have been a period of accumulation according to the chart presented herewith and an upward movement of the stocks seems to be imminent. The market closed to-day at 42½ on a downward trip. Indications are that it will be much higher before it breaks through the series of bottoms recently formed, and shares bought at 41 should be sold at a profit of 8 or 10 points within a month. However, the support may be withdrawn from the stock if the election news has a bear effect on the general market. If it does the careful observer of charts will readily detect the fact and can get out of the market with a trifling loss. In other words stock bought at 41 should be sold on a break below 39.

In my last week's article I called attention to the advice given by me during the previous five or six weeks, which advice was founded solely upon chart movements, and in every case, without exception, since I began to write these articles for the "Ticker" has this advice been absolutely correct. Of course, you would have had to accept losses at times, but those losses would have been small, while your profits would have been something phenomenal had these indications been carefully followed. It was apparent to me as early as October 1st that insiders were accumulating stocks, and I felt sure that purchases made at previous low points would be almost absolutely safe, and I did not hesitate to express myself emphatically at that time, as my readers well know, regarding this point. Chart movements at the present time indicate exactly the same kind of a market that we had on this date one year ago, and as the movement during the whole year has been practically a duplicate of last year's, I do not think it unreasonable to expect a very active and buoyant bull market immediately following election. ***In looking over my charts to-night after the close of the market I feel somewhat inclined to look for a sharp reaction, as many stocks begin to show double tops. Especially is this true with regard to B. R. T., Sugar, Federal Steel common, Manhattan, Louisville, Atchison preferred, and American Tobacco.**

I do not, however, consider that the movements as yet show liquidation but merely a hesitating point, which, should it be followed by an unusually poor bank statement to-morrow, will probably cause a sharp reaction ranging from 2 to 5 points, but on this reaction you can safely buy stocks at least for another movement to these high points, and should election go strongly Republican, which appears to be the indication at this writing, it will be followed immediately by renewed interest in the stock market, and with an increase of outside interest you may confidently expect to see a wild and rampant market and prices of many securities will go even higher than one year ago. However, should the situation change at any time, by carefully watching your charts you will be able to discern the turning point and instead of allowing the insiders to unload their stocks on you, you can sell out at very nearly the top prices.

LEWIS C. VAN RIPER,
11 Broadway, New York.

Nov. 3, 1899.

*In less than one week after the above was written and printed the following decline took place: B. R. T. 5 points; Sugar 8⅛ points; Manhattan 10 points, Federal Steel common 5 points; Louisville 4½ points; Atchison preferred 4 points; American Tobacco 5 points. On this reaction double bottoms again took place and indications at this writing and as we go to press are for a resumption of the bull movement in the very near future.

Nov. 13, 1899.

SOME FURTHER REMARKS FOR SEVENTH EDITION.

THE high appreciation with which the previous editions have been received by the investing public has induced me to again revise my work, bringing the charts and articles written for publication in the meantime up to date. I do not think it requires any argument to convince the reader that there is more to the chart theory than many think. *In fact I have furnished in these articles abundant proof that a carefully prepared chart is the best guide a speculator can have. Charts are founded upon facts, not theory.* No matter what others may tell you it is well for you to remember that prices of stocks and speculative securities are governed by the law of supply and demand, and that both supply and demand are regulated in many instances by cliques. A good illustration of this is Sugar stock. Ever since this stock has been traded in on the Exchange there has been certain intervals where the pool accumulated stock sometimes covering a period of months. During all of this time the price would not be allowed to advance but a few points, possibly one to five. Then after the accumulation has been made bull stories are circulated and up goes the price fifteen, twenty or more points. Here the bull talk becomes stronger than ever and the public is induced to invest around the top and prices are held up at this level for several weeks, or months, as may be necessary to dispose of the long holdings of the pool after which another decline is manipulated. This procedure has been going on year in and year out ever since Sugar stock has been traded in on the Exchanges. The same story has been told over and over and the same bait catches the unsophisticated at regular intervals. If you will carefully watch your charts for these periods you will have no trouble to discover the accumulating and distributing point, while, without keeping charts on the market, you will, perhaps, not be able to discern what is going on. Accompanying you will find a diagram illustrating this theory more fully. These distributing and liquidating points seem to become more frequent each year. At first it required nearly six months to accumulate and six months to liquidate, but more recently several deals are worked each year. I merely mention what Sugar has done during the past years to illustrate more fully why it is that chart movements are reliable guides to speculative operations, and the whole definition may be expressed in the following words: Charts show the liquidating and supporting points of any stock, and this is all that you must know to be able to speculate profitably. Regarding the reliability of this fact read the preceding articles which were written on dates given and published at that time in "Wall Street Ticker" and compare the action of the market afterward with predictions made at those periods, and I think you will have no reason to doubt the reliability of chart movements to the speculator.

I might go into further details and point out more fully predictions made from time to time which were more than fulfilled in every case, but I take it for granted that if you are interested enough to read this article you will also take the trouble to examine carefully the articles herein referred to which I have published in full so that it may not be said that I have only quoted the most favorable portions. Although these articles are practically of no value now except that they may perhaps enlighten some more fully regarding my plan of operating, I have reproduced all of them in full so that you can see for yourself that I have made no serious errors in judgment and that chart movements have not failed to foretell the future course of the market to a surprising degree of accuracy in every instance. If you have been a reader of the Wall Street Ticker you can verify these reproductions by referring to your files. The dates given are the dates on which

the charts were prepared and articles written, which are usually prepared two days prior to the date borne by the publication. These articles have appeared weekly with the exception of a few omissions when other writers contributed on the same subject.

Hoping that you will give the subject careful consideration and that the information derived will aid you in your operations in the future, I remain,

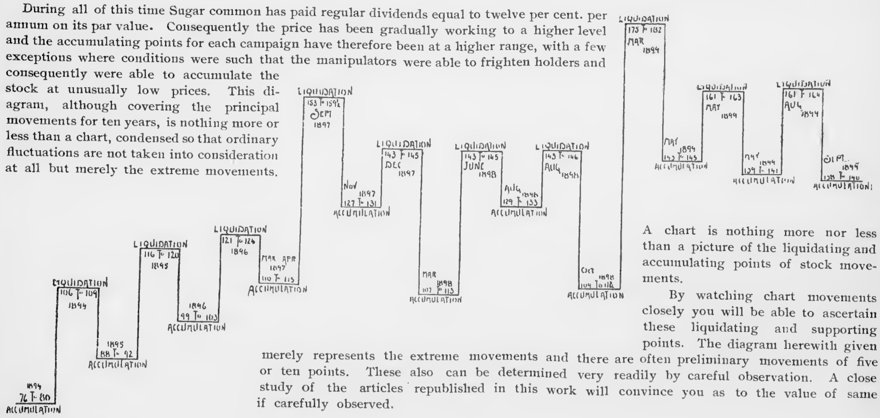
Respectfully yours,

LEWIS C. VAN RIPER,

Nov. 13, 1899. 11 Broadway, New York.

DIAGRAM SHOWING MANIPULATION OF SUGAR STOCK FOR THE PAST TEN YEARS.

During all of this time Sugar common has paid regular dividends equal to twelve per cent. per annum on its par value. Consequently the price has been gradually working to a higher level and the accumulating points for each campaign have therefore been at a higher range, with a few exceptions where conditions were such that the manipulators were able to frighten holders and consequently were able to accumulate the stock at unusually low prices. This diagram, although covering the principal movements for ten years, is nothing more or less than a chart, condensed so that ordinary fluctuations are not taken into consideration at all but merely the extreme movements.



A chart is nothing more nor less than a picture of the liquidating and accumulating points of stock movements.

By watching chart movements closely you will be able to ascertain these liquidating and supporting points. The diagram herewith given merely represents the extreme movements and there are often preliminary movements of five or ten points. These also can be determined very readily by careful observation. A close study of the articles republished in this work will convince you as to the value of same if carefully observed.

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TITLE